ORGANISATIONAL IDENTITY AND CHANGE: THE DYNAMICS OF ORGANISATIONAL TRANSFORMATION

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Thesis submitted in fulfillment of the requirements for the award of Doctor of Philosophy

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September 2001
Abstract

Drawing on interview data from employees in one organisational setting a theoretical framework based on Organisational Identity Theory is offered suggesting a meso paradigm for understanding the social construction of organisational change that overcomes the duality of episodic and continuous change. This duality fragments the literature on organisational change and limits the understanding of its effective implementation. The transferability of the theoretical framework developed from the case study was further explored in three more different organisational contexts. The four case studies illustrate that the contrast between episodic and continuous change reflects differences in the perspective of the level of analysis. From the macro level of analysis, the flow of events that constitute organising indicates repetitive and incremental action and inertia interrupted by occasional episodes of transformational change. The micro level of analysis however, suggests moderate and ongoing adjustment in order to overcome inertia. When an organisation is facing dramatic change, shared and individual meanings are challenged and exposed to reconstruction which involves a fundamental alteration in the social construction of reality and a cognitive reorientation of the organisation. It is in the urge to develop understanding and acceptance of an alternative organisational reality that members' sensemaking of change is likely to be critically important. Employees' cognitive reorientation is built upon the assumptions of Organisational Identity Theory treating organisational identity as the cognitive lens through which employees view the world. The case studies illustrate that the process and tempo of organisational change is strongly related to the cognitive reframing of its organisational members. They further indicate that the organisational change is perceived as proposing provisional organisational identities which need to be incorporated into members' identity structures for cognitive reframing to occur which will support the understanding of change. Cognitive reframing takes place through a) attraction to different qualitatively different possibilities, b) assessments of feasibility of the proposed change, and c) the evaluation of the provisional identities based on the principles of esteem, efficacy, distinctiveness, and continuity. Employees' capacity to reframe their cognitive frames and incorporate the proposed provisional identities depends on the extent to which they perceive that the
organisational context supports the change and on the extent to which the provisional identities enhance the value of their organisational identities. Finally, the present findings suggest that investigating change requires a consideration of the relationship between identity and change which demands a reconsideration of the conceptualisation of organisational identity as a relatively stable and enduring feature of organisations.
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Acknowledgements

One of the first things you learn as a psychologist is that life events have different (and multiple) meanings for different people. I guess the same is true in this case. Finishing this doctoral dissertation apart from an academic achievement symbolises the end of a personal voyage. As a Greek poet once observed the journey towards a destination is more important than the destination itself. There are some people who made sure that the journey was safe, comfortable, and fun, and without whom I wouldn’t have reached the end.

I would especially like to thank Lynne for her constructive criticism, her enthusiasm and support at all the difficult stages during the completion of this thesis. I would also like to thank Evanthia for her critical and important comments during all the annual reviews that we shared together. Special thanks go to Onassis Foundation in Greece for financially supporting my effort. Finally, I would especially like to thank my colleagues at the SMSS for welcoming me into their team, for their tolerance and support during the stressful final stages of this thesis.

I wouldn’t have been able to complete this doctoral dissertation if it wasn’t for my parents’ unconditional support during the last four years.

Mom, this thesis is dedicated to you γιατί με την σκληρή σου κριτική με παρατρύνεις παντά να προσπαθώ για το καλύτερο και με την προστασία και την άγρυπνη φροντίδα σου συγουρεύεις την επιτυχία σου.

Dad, this book is dedicated to you γιατί μου έδωσες την έμπνευση να ξεκινάω, τη σιγουριά να συνεχίζω και το πείσμα να μην τα παρατάω. Ας είναι το βιβλίο αυτό ανταμοιβή, αποζημίωση και ένας φόρος τιμής στα δικά σου ανεκπλήρωτα όνειρα.

I would also like to thank my brother who was always interested in my progress and made me forget about any of my problems every time I talked to me. Κόστα ευχαριστώ για τη φιλία σου και για το μοίρασμα των ονείρων μας.

Finally, I believe that this dissertation would have never been finished had Stamatis not been there, to help me methodologically and statistically, edit on what I wrote, challenge me intellectually and keep me going, make me cups of coffees, boost my self-esteem, help
me relax, make me believe that I could finish it. Stamati thank you for your high threshold of boredom. Σταμάτη ευχαριστώ για την υπομονή και τη φιλία σου που όσο περνάει ο καιρός χρειάζομαι όλο και παραπάνω. This piece of work is as much yours as it is mine. For life.
Chapter One - Introduction

CHAPTER ONE

THESIS OVERVIEW

1.1. INTRODUCTION

Explaining how and why organisations change has been a central and enduring quest of scholars in organisational behaviour, management and many other disciplines. Global competition, rapidly changing technology, and deregulation are demanding that corporations rethink their strategies, and realign their organisations to implement them. For decades, however, questions of transformation remained largely backstage as organisational thinking and practice engaged in a discourse dominated by questions of stability. Oriented around the organising principles of mass production and bureaucracy, such a discourse emphasised routinisation, standardisation, control, and automation. Today, however, many organisations face an altered economic, political, and technological world, a world in which flexibility, customisation, and learning are the watchwords, and visions of agile manufacturing, virtual corporations, and self-organising teams are prominent. In such a world, stability is out, change is in.

Change is an ever-present feature of organisational life aiming to remake the organisations into significantly better competitors. However, many would argue that the pace and magnitude of change have increased significantly in recent years. The Institute of Management has certainly found this to be true. In 1991, the Institute reported that 90 per cent of organisations in its survey were becoming 'slimmer and flatter' (Coulson-Thomas & Coe, 1991: 10). In 1992, it reported that 80 per cent of managers responding to its survey had experienced one or more corporate restructurings in their organisations in the previous five years (Wheatley, 1992). In its 1995 survey, 70 percent of respondents reported that their organisation had restructured in the previous two years (Institute of Management, 1995). A similar picture emerged from a study carried out around the same time by the University of Manchester Institute of Science and Technology (UMIST). This study found that 51 per cent of respondents' organisations were experiencing major transformations (Ezzamel et al., 1994). In 1997, surveys by both the Institute of Management (Worrall & Cooper, 1997) and the Industrial Society (1997) showed that
there was no slackening in the pace of change. Indeed, the Industrial Society survey showed that some 94 per cent of respondent organisations were going or had gone, through some form of culture change in the 1990s. Therefore, it can be seen that over a very short timespan, most organisations and their employees have experienced or are experiencing substantial changes in what they do and how they do it and in almost every case, the basic goal has been the same: to make fundamental, transformational changes - substantially changing an organisation’s strategy, structure and practices; its paradigm - in how business is conducted in order to help cope with a new, more challenging market environment.

At the same time, however, the literature abounds with evidence of change efforts that have gone wrong, some disastrously so (see Brindle, 1998; Burnes & Weekes, 1989; Bywater, 1997; Cummings & Worley, 1997; Howarth, 1988; Kanter et al., 1992; Kelly, 1982; Kotter, 1996; Stace & Dunphy, 1994; Stickland, 1998). Besides, the inability of companies to realign their organisations has become obvious in the last decade as corporate giants like IBM, Sears and Roebuck, and General Motors have fallen on hard times. Furthermore, in the various Institute of Management surveys, managers reported considerable levels of failed attempts to reposition organisations as well as increased dissatisfaction with the outcomes of change. The Institute’s 1997 survey of managers concluded that “the restructuring that has taken place in UK businesses in the last 12 months has had a massively negative effect on employee loyalty, morale, motivation and perception of job security” (Worrall & Cooper, 1997: 33). In addition, the Institute’s 1998 survey found that, for a majority of respondents, “the impact of restructuring had been to deplete the organisation of people with key skills and experience” (Worrall & Cooper, 1998: 34).

Although hundreds of articles have discussed specifics of organisational change, and most experts and scholars agree that properly implemented change systems and efforts improve organisational performance (e.g., Barr & Huff, 1997; Ford & Ford, 1995; Marshak, 1993; Orlikowski, 1996; Schein, 1996), management and organisational theorists have been relatively silent on why organisational change often is unsuccessful. The need to understand organisational inability to change or inertia indicates that the fundamental question of how organisations undergo change needs further exploration despite a long history of thought and debate on organisational transformation (Brindle, 1998; Kanter et al., 1993).
1.2. PERSPECTIVES OF CHANGE AND EPISTEMOLOGICAL FRAMEWORK

1.2.1. Models of Change

As organisational change becomes increasingly centre stage, it seems appropriate to examine the kinds of models that currently inform the understanding of organisational transformation, and to consider their adequacy in the light of this new organisational stage. Analyses of organisational change written since the review by Porras and Silvers (1991) suggest that an important emerging contrast in change research is the distinction between change that is episodic, discontinuous and intermittent and change that is continuous, evolving, and incremental.

Episodic change groups together organisational changes that tend to be infrequent, discontinuous, and intentional. The presumption is that episodic change occurs during periods of divergence when organisations are moving away from their relatively long periods of stability (equilibrium). Divergence is the result of a growing misalignment between an inertial deep structure and perceived environmental demands (Gersick, 1991). The form of change is labelled ‘episodic’ because it tends to occur in distinct periods during which shifts are precipitated by external events or internal conditions, for example technology change, process redesign, industry deregulation or change in key personnel. Episodic change models have informed macro studies of long-term shifts in various industries (e.g., Abernathy & Clark, 1985; Gersick, 1991; Romanelli & Tushman, 1994; Tushman & Romanelli, 1985). However, this perspective raises difficulties for the new organising discourse because it is inconclusive about the processes that give rise to the transition between divergence and equilibrium. This inability begs questioning in a context of market environments that have become complex and turbulent after years of relative stability (e.g., higher education institutions, health care systems) and in organisations experimenting with essentially nonstable organisational forms, processes, and technologies (e.g., virtual, self-organising, flexible, customisable) and an answer will be attempted here.

The present work then will try to explore episodic change defined as the organisational and transformational change that takes place in contexts after long periods of relative stability (Abernathy & Clark, 1985; Gersick, 1991; Romanelli & Tushman, 1994; Tushman & Romanelli, 1985) in an attempt to understand the processes that can facilitate or inhibit organisational change. It will also examine whether the conceptualisation of
change as episodic is appropriate and sufficient to understand and explicate organisational change. The present work argues that the current inability to explain transformational transitions lies in the perpetuating contrast between episodic and continuous change and the exclusion of the micro level of analysis. It is argued here, that the contrast between episodic and continuous change reflects differences in the level of analysis. From the macro level of analysis, the flow of events that constitute organising appears to be comprised of repetitive and incremental action and inertia interrupted with occasional episodes of transformational change. But a view from the micro level of analysis suggests moderate and middle-order adaptation and change. Although these adjustments tend to be moderate, they are substantially different from the status quo and they also tend to be frequent and ongoing, which means they are capable of substantially altering structure and strategy. Some observers (e.g., Orlikowski, 1996) treat these ongoing adjustments as the essence of organisational change, a perspective that suits to a world where change is no longer a background activity but a way of organisational life given the different social, technological, and economic conditions emerging today. The present work however goes a step further trying to integrate the two distinct theoretical frameworks (macro and micro), adopting a meso paradigm (House et al., 1995) in order to explain organisational change in an integrative and coherent way.

1.2.2. The Meso Paradigm

Recent work suggests that to understand organisational change one must first understand organisational inertia, its content, its tenacity, its interdependencies (Weick & Quinn, 1999). However, the vast literature following the lead of population ecology has come to view inertia as primarily stemming from forces at the organisational level such as institutionalised routines and practices embedded in organisational structure and culture (Hannan & Freeman, 1984).

At this more macro level of analysis, the role of the person in the change process is minimised; inertia is seen as a powerful force because of the existence of stable routines that allow for the institutionalisation of organisational action and increase an organisation's chances of survival in the short run. Only over the long run do inertia and the inability to change become a liability as an organisation becomes unable to adapt to a changing environment, and is selected out and replaced by a more appropriate organisational form (Hannan & Freeman, 1984). Of course, important change research at a more micro level of analysis has taken place (e.g., Armenakis et al., 1993; Ford & Ford,
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1994, 1995; Gardner et al., 1987; Gersick, 1991; Judge et al., 1999; Kabanoff et al., 1995; Parsons et al., 1991) and some micro-change theorists advocate an evolutionary perspective (Colarelli, 1998). However, inertia and the inability to change are often viewed as macro-level phenomena (Hannan & Freeman, 1984).

While important, it is believed here that macro-level explanations of inertia and the inability to change have ignored the crucial role of people as the creators and perpetuators of organisations. If an understanding of inertia is central to understanding change in organisations (Weick & Quinn, 1999), and change in organisations often stems from the efforts of people, either individually or collectively, then it would seem useful to explore the psychology of the change process and how inertia can arise at the individual and group levels of analysis, in addition to more macro levels. Taken to the extreme, an exclusive focus on the macro-level approach to change embodied in population ecology may result in the reification (Berger & Luckmann, 1966) of the change process in organisations. If a phenomenon is reified, actors come to believe that they have no control over it, and thus at the social level they accept the power of institutions over them.

First, to avoid the problem of reification it is necessary to recognise that, first and foremost, change is initiated and carried out by individuals in organisations (Bartunek, 1984; Porras & Robertson, 1992). That is, organisations only change and act through their members and even the most collective activities that take place in organisations are the result of some amalgamation of the activities of individual organisational members. Second, and related, it is argued that examining the process of change at the organisational or group levels of analysis requires the analysis of the process of change at the individual level of analysis. That is, models and theories of change and inertia at higher levels of analysis must be informed by an understanding of change at the individual level of analysis if the problem of reification is to be overcome and the process of change is to be seen for what it is - an individual and group sensemaking process taking place in a social context that is the product of constant and ongoing human production and interaction in organisational settings. In particular, the present thesis focuses on the role of cognition and organisational schemas in initiating the individual change process and determining its nature and outcomes.

The present thesis however, does not propose a micro-level approach to change as it is believed that both micro and macro variables need to be incorporated in the same research design in order to theoretically explain and account for organisational change adopting a
meso paradigm (House et al., 1995). Organisational change is a phenomenon that is unique to and occurs only in organisations (Goodman, 1982), with properties that distinguish it from individual change, which is influenced by both macro and micro units of analysis. The major disadvantage of micro theories is their assumption that behaviour is context-free and mainly invariable across hierarchical levels and units of analysis. It is the aim of the present work then, to study organisational behaviour in context and understand how phenomena are common or vary across levels of analysis. Meso research (House et al., 1995) examines the relationships between organisational contexts and behaviour of components (e.g., individuals, groups) and evaluates how those relationships shape outcomes. A meso paradigm argues that organisations are social entities that simultaneously set a context that shapes individual and group behaviour and produces interdependent behaviour of people and work units. Active mutual feedback processes operate between persons, groups, and organisations. Individual behaviour, intergroup communication, and organisational constraints combine to create organisational cultures, and culture shapes the beliefs of members and the behaviour of individuals and groups.

To further theory on organisational change a consideration is needed of the impact of behaviour on impersonal organisational variables, such as barriers or facilitators relevant to new strategy and organisational implementation processes. Staw and Sutton (1992) suggest that less powerful individuals have substantial influence on the implementation of top management directives proposing in this way the macro effects that micro forces may have on organisations. In this sense, the present work tries to explore how micro-level units of analysis respond to changes initiated by top management exploring how employees construct and make sense of strategic reorientation and transformational changes initiated by top management. According to House et al (1995) the responses of micro-level units of analysis to strategic reorientation and paradigm changes, such as those explored here, is presently more speculated than researched. Furthermore, the little research on how individuals affect the organisation focuses entirely leaders (e.g., top management teams, chief executive officers, or CEOs). Summarising, the present research incorporates behavioural variables into macro theories to have a full understanding of how organisations change and adopts a meso paradigm in order to overcome the limitations of both micro and macro paradigms.
1.3. THE FOCUS OF THE THESIS

The current work aims to explore how organisations change in complex and turbulent market environments (e.g., higher education, ex-government organisations, health care, spin-off companies) that frequently seem to require a process of discontinuous, dramatic and even traumatic transformational change as seen from a macro perspective. This type of change is seen not just as a shift in norms, structures, processes and goals (Ginsberg, 1988), but as a form of 'second-order change' (Bartunek, 1984) involving a fundamental alteration in the social construction of reality (Berger & Luckman, 1967). This view suggests that transformational change involves, at its essence, a cognitive reorientation of the organisation (Gioia & Chittipeddi, 1991): one that reflects an acceptance of perceptual, structural and contextual discontinuities that occurs through the shifting interplay of deliberate and emergent processes (Mintzberg & Waters, 1985; Tichy, 1983).

From this cognitive perspective, the success of organisational change efforts depends not only on the organisation's ability to undergo a significant shift in direction, vision, and values but also the ability of employees to understand and accept a new conceptualisation of the organisation (Smircich, 1983). The impetus for this kind of change lies with top management who typically are key actors in articulating the need for, and intended nature of the impending planned change (Smircich & Morgan, 1982). However, the literature on organisational change largely ignores employees' conceptualisation of and response to a new organisational reality. The focus on employees' way of understanding change is important as they are the people who are going to be engaged in and realise change. It is in this urge to develop understanding and acceptance of an alternative organisational reality that employee sensemaking of change (Gioia & Chittipeddi, 1991; Smircich & Stubbart, 1985; Weick, 1979) is likely to be critically important (Powell & DiMaggio, 1991). This thesis is built upon four case studies of organisations undergoing transformational organisational change, trying to explore how employees make sense, understand, and interpret transformational change.

Transformational changes are brought by processes of negotiated social construction (Berger & Luckman, 1967). Such a process requires attempts to change perceptions of the need for, or the nature of, change. It requires change of employees' perceived organisational paradigm and the development of favourable and attractive interpretations (Horn, 1983; Ichazo, 1982) of the new organisational paradigm. When we try to understand a new experience or concept, we do so by trying to ascribe meaning to it. To
understand and manage transformational change, it is necessary therefore to examine employees' sensemaking processes that serve to create and legitimate the meaning of the change. Consequently, the first aim of this thesis is dedicated to the exploration of the meaning ascribed to proposed and implemented new organisational realities, by exploring the content of employees' interpretations of transformational change.

Although the role of transformational change in affecting organisational outcomes has been explored, the processes involved in promoting employees' cognitive understanding and acceptance of a new organisational reality during transformational changes have not been adequately studied. Sensemaking (Weick, 1979) involves the "structuring of the unknown" (Waterman, 1990: 41), it involves those processes that structure new organisational conceptualisations as well as the meaning for alternative organisational realities. Therefore, the second aim of this thesis is to study the processes and dynamics involved in constructing new understandings in the embryonic stages of a transformational change effort. The initial stages of the change effort were chosen as they are considered to represent the episodic implementation of change. Gaining insight into the interpretation structures of organisations and especially into the origins and processes in constructing these interpretation structures, allows an understanding of the creation and maintenance of alternative organisational realities (Mumby, 1988). Sensemaking involves cognitive interpretation processes and interpretation in conjunction with action (Weick, 1979). In attempting to launch transformational change in organisations it is arguably necessary first to formulate a strategy to facilitate acceptance of the new strategy. Such a 'meta-strategy' (Allaire & Firsioptu, 1985) depends on interpretation and symbolic procedures to legitimise the transition process and its likely outcomes (Langley, 1989; Quinn, 1980).

The cognitive perspective adopted in this thesis arguing that transformational organisational change involves, at its essence, employees' cognitive reorientation is built upon the key assumptions of Organisational Identity Theory (Albert & Whetten, 1985). Weick (1995) argues that sensemaking is grounded in identity construction suggesting that the attribution of meaning to a situation and especially a novel one is dictated by the identity people adopt in dealing with it. Investigating change then requires a consideration of the relationship between identity and change, and the effects of change on the interpretative schemas of employees since identity acts as the perceptual lens through which employees make sense and interpret novel situations. However, the link between organisational identity and change has been largely ignored in the literature (Gioia,
Schultz, & Corley, 2000). On the contrary, organisational identity has been conceptualised as a self-fulfilling system that refers to a relatively stable and enduring feature of organisations (Albert & Whetten, 1985). Taking substantive change seriously, however, demands reconsidering existing organisational identity. What does enduring mean when changing environments demand that even non-for-profit institutions behave strategically, thus encouraging the malleability of identity? This line of argument underlines the third aim of this work which focuses on the exploration of the relationship between organisational identity and change.

Summarising, the overall research aim guiding this thesis could be framed as follows: In an organisation, what processes characterise employees' understanding of new organisational conceptualisations associated with the launching of transformational change? In this sense, it adopts a meso perspective (House et al., 1995) in its effort to conceptualise organisational change in an integrative and coherent way mainly by bridging the distinction between episodic and continuous change.

1.4. THE STRUCTURE OF THE THESIS

The thesis comprises four sections and nine chapters. The first section ‘Theorising’ aims to outline some of the central questions that are to be addressed in the thesis. Chapter Two reviews the literature which addresses the notion of episodic transformational organisational change. This chapter attempts to bring some order to a complicated and multidisciplinary literature on organisational change and it argues that the tempo of change (i.e. episodic and discontinuous vs. continuous change) provides an organising principle of the literature as well as perpetuates the divide between episodic and continuous change. Through a further segregation of the literature on four main research themes, concerning issues of content, context, process and outcome of transformational change, it highlights an apparent indifference to the social psychological reality of organisations and points to the lack of work on conceptualising how transformational change actually takes place. Chapter Two concludes with the argument that transformational change is possible when a paradigm shift is involved and a cognitive reorientation and reframing of organisational members is required. In this sense, it adopts a unique social psychological perspective on the phenomenon of transformational organisational change arguing also for a meso perspective (House et al., 1995). The meso perspective of this chapter argues that employees' sensemaking and understanding of
change initiated by top management is an integral part of any model that tries to understand how organisations change.

Chapter Three then builds this perspective from the key concepts of the theory of organisational identity, which conceptualises identity as the cognitive lens through which employees view the world. However, a main feature of organisational identity is its stable and enduring character that operates as a self-fulfilling system inhibiting change. Therefore, this chapter challenges the assumption that identity refers to perceptions of a relatively stable and enduring feature of organisations, and provides a dynamic framework reinforcing change. The challenge of this conceptualisation comes from: (1) the contribution of trialectics which argues for the dynamic nature of identity, provides a framework for the analysis of the process that gives rise to transformational changes and discusses that change comes through attraction to different possibilities; (2) the reciprocal relationship between identity and image, which is clearly characterised by a notable degree of fluidity arguing for a fluid conceptualisation of organisational identity. In this sense, Chapter Three provides the theoretical framework which underpins this research.

Chapter Four then, outlines the research route that the thesis undertook. It suggests that the epistemological position of the researcher is central to the framework within which this research is undertaken and explains why a ‘weak’ social constructivist position has been adopted for this work. This approach suggests that the ‘organisational reality’ experienced by employees is being shaped by the meanings employees attribute to their organisational and social environment but it claims that this does not prevent the achievement of an agreed-upon description of their reality – that is, the truth is not wholly relativist. This chapter also describes the choice of a multiple case study design comprising four studies, one qualitative and exploratory and three quantitative survey studies, that try to explore the phenomenon of employees’ interpretations and sensemaking of transformational organisational change. It then discusses methodological issues pertaining the choice of using employees’ accounts of change instances as a basis for the exploratory investigation and provides a link between qualitative and quantitative methods of research. It then discusses the main exploration techniques selected for this work and how they were applied in this investigation.

The section that follows, ‘Exploration’ comprises the first exploratory case study that took place within a university context in order to explore employees’ interpretation and sensemaking of episodic change as well as the two analyses of the texts procured for
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scrutiny. Chapter Five first offers a general picture of the organisation within which the exploration of employees' interpretations and the modelling of their sensemaking process were examined. It is therefore built on this thesis' assumption that the organisational context is important for better appreciation of the way in which employees interpret and make sense of change introduced in their workplace constructing the social 'reality' within which employees perceive, interpret and make sense of change. The organisational background therefore, contextualises the findings reported in this work and must be taken into account if a deeper understanding of the experience of the employees is to be achieved.

Strategic change is considered to constitute transformational organisational change (Tushman & Romaneli, 1985) especially for organisations who are unfamiliar with the use of strategic processes in the design of their conduct. In the past, academic institutions have not had to be overly concerned with 'strategic' change per se. Enrolments were more or less stable and operating funds were more or less guaranteed either by state and federal governments or other traditional private sources (Keller, 1983; Mortimer & Tierney, 1979). The modern academic environment, however, has brought a disquieting trend toward declining enrolments, reduced funding, and external competition. Thus, many higher-education institutions have entered a period of reorientation, requiring non-traditional types of change to deal with the new, competitive environment (Milliken, 1990). It is in such an institution that employees' interpretations of a strategic change effort and the process and dynamics of their sensemaking were initially explored.

Chapter Five then, together with Chapter Six present the findings from the exploratory qualitative analysis. The interviews obtained for research were extensively interpreted and the analyses derived are presented in two single chapters. It is important to note that each of these two chapters is divided into two sections: sections 'A' are always entitled 'Tool Kit' and contain a description of the procedures employed in unpacking the text in question for the purposes of a particular analytic interest. Sections 'B' on the other hand, are always entitled 'The Journey' and they contain the crux of the interpretative work carried out and the conclusions derived. The interviews were analysed twice. Chapter Five contains the first of these analyses, which sought to illustrate, explore and elaborate on the elements involved in employees' interpretations of episodic transformational change in their organisation. Here the assumption is that meanings attached to changes and responses toward change are imposed by categories that employees employ to describe a
change. However, it was judged premature to use already established categories drew from the management literature and impose them on employees' sensemaking especially in organisations not usually confronted with transformational change. The evidence presented in this chapter suggested that employees used interpretation categories (i.e. attractive and non-engaging) based more on social psychological rather than strategic (i.e. opportunity and threat, Jackson & Dutton, 1988) foundations of sensemaking and meaning attribution.

Chapter Six is concerned with the process that employees follow when they make sense of episodic transformational change. It describes how the model of change sensemaking process was initiated from accounts of change instances reported during the interviews conducted with 21 employees in three departments of the institution. Then, it deals with the actual analysis of the information collected. A process model of change sensemaking is presented as generated through the analysis. Altogether, the analysis proposed five main propositions that linked employees' interpretations of change with the following elements in the process of sensemaking: 1) attractiveness of the perceived current and future identity, 2) attractiveness of the perceived current and future image, 3) perceived discrepancy between current and attractive future identity (identity gap) as well as between current identity and attractive future image (image gap), and 4) perceived sensemaking context. The model suggests that under conditions of change, it is not only existing identity or image that affects interpretation but also those yet to be achieved and the level of the discrepancy they generate.

The section that follows, 'Refinement', comprises the subsequent three case studies, which picked up on the propositions that were formed as a result of the qualitative case study. Chapter Seven refined the emergent process model of change sensemaking in a different industry environment. The main research question remained: How do employees make sense of change instances when managing episodic transformational change in their organisation? Two corollary questions also guided the quantitative study, however: 1) Does the emergent theoretical model apply to organisations operating in different industries which are nonetheless unfamiliar with the process of transformational change? If so, 2) what are the relationships between the key emergent concepts (identity, image, sensemaking context) and the interpretation of change as attractive and as non-engaging? The evidence presented in this chapter provided good support that employee perceptions of their organisational identity and image (present and future) are significant perceptual
lenses for the interpretation of change affected by certain attributes of the sensemaking context (i.e. perceptions of communication support). The influence of attractiveness of the perceived future image is also salient as it facilitates the development of new understandings and favourable interpretations of change. Finally, the data supported the relationship between identity and image gap and interpretation of change but they revealed a non-linear relationship among the variables denoting a middle-order and moderate discrepancy area where cognitive inertia is overcome and change is mostly facilitated. This change acceptance area explicitly denotes the moderate pace of change.

Chapter Eight comprises the final two case studies conducted in two different industry environments. The first one conducted within an organisation undergoing transformational change extends the change sensemaking framework by further investigating the operationalisation of the notion of the sensemaking context. Finally, Chapter Eight presents the last study conducted in order to explore further the obtained relationships and draw accurate conclusions from the data. This last study also provides an initial test for the transferability of the sensemaking model to companies in high velocity industries that often stress an organisation's capacity to change. However, even in this organisation the change was considered to be episodic and transformational. This transferability effort is based on the assumption that in all organisational change situations, image and identity structures are likely to exert some influence. Data provided strong support for the transferability of the model to organisations under episodic transformational change operating in different industries.

Lastly, the ‘Reflecting’ section contains only the concluding chapter of the thesis. Chapter Nine provides both a consolidation of the conclusions of the four case studies presented, and a commentary on how change is possible within organisations. It concludes that from a macro level of analysis, when change is examined from a distance, it is perceived as episodic and discontinuous change. But a view from the micro level of analysis suggests moderate adaptation and ongoing middle-order adjustment. This chapter is presented as both the resolution of the thesis, and as the springboard for the notion of organisational identity change elaborated in the thesis, suggesting possible research applications and managerial recommendations for the management of change. And with this ambitious commentary, the thesis is brought to an end.

With this brief introduction, then, the reader is invited to follow the researcher in her exploration of employees’ interpretation and sensemaking of change in organisations
undergoing episodic transformational organisational change. It is hoped that the work described here may be of use in any future projects involving the development of integrative theory on organisational change as well as the management of change, to help ensure that the experience is a constructive and positive one for the employees as well as the success of the change efforts themselves. It is also hoped that the theoretical developments of this work will have a wider application in the future study of organisational identity and change.
Theorising
2.1. OVERVIEW

In the words of Van de Ven and Poole (1995: 510) "it is of a great challenge for scholars in management and many other disciplines to find ways of explaining, understanding and analysing how organisations change". This chapter aims to build on our present understanding of transformational organisational change by advocating an episodic model. This model assumes that organisations change through long and stable (i.e. convergent) periods punctuated by transformations (or reorientations) as opposed to a continuous process where change occurs through ongoing adaptation and adjustment. Convergent periods refer to relatively long time spans of incremental change and adaptation and may or may not be associated with effective performance. Transformations on the other hand are relatively short periods of discontinuous change where strategy, design and organisational infrastructure, management practices and values are substantially transformed or revolutionised. The current review focuses on four elements that according to Dunphy (1996) comprise a comprehensive analysis of any theory of change and will be enriched by four overarching research themes or issues common to all organisational transformations: a) content issues (i.e. substance), b) context issues, c) process issues, and d) outcomes. The aim is to expose the limitations of the model of episodic change and propose an integrative perspective that will be subjected to empirical testing.

Despite the extensive writing on, and investigation of, organisational change, an adequate conceptualisation of the notion of transformational change in organisational contexts has not yet emerged. In particular, the literature does not specify the processes involved in the transition from a state of convergence to transformational change or vice versa. According to the episodic model of change, it is the notion of ‘inertia’ and how it is overcome that plays a critical role in the transition. Within this model, inertia is defined strictly in terms of webs of interdependencies and commitments associated with increased organisational complexity and specialisation coupled with structural and social rigidities. This however ignores the social psychological reality of organisations. Here organisations are seen as
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comprised of systems of meanings and social processes of making sense, during which meanings are assigned to things and events. From this point of view, understanding an organisation implies understanding how meaning is constructed and destructed (Gray, Bougon, & Donnellon, 1985; Weick, 1995). Accordingly, transformational change is understood in terms of members' own meanings and interpretations as well as the processes by which these meanings shift and coincide and inertia is overcome. Thus here, inertia is conceptualised as an inherent consequence of the self-fulfilling cognitive schemas used by members to make sense of an organisation.

Existing cognitive schemas determine members' understandings and interpretations which are then drawn upon to validate and legitimate existing frameworks and consequently the substance of future reorientations. In this way, inertial processes will operate to reaccomplish the status quo such that change will follow existing paths unless cognitive reframing of a transformational kind occurs. It is therefore argued that an adequate understanding of how real organisational change is accomplished should encompass a description and explanation of how cognitive inertia is overcome in order for members to develop and accept qualitatively different conceptualisations of the organisation. It is in this attempt by members to develop understandings of an alternative organisational reality that the notions of cognitive sensemaking and cognitive reframing become of critical importance. Transformational change is a break from past basic assumptions and frameworks: the outcome is thus unpredictable. Those undergoing such changes may experience a high degree of uncertainty and a heightened need to make sense of the changes. Furthermore, while the role of executive leadership may be salient in mediating between internal and institutional forces of inertia and competitive forces for transformational change, this must take account of the cognitive sensemaking of employees. Employees are not passive recipients of managerial claims about change, rather they actively negotiate and validate such claims. In short, it could be argued that a process of negotiated social construction occurs (Berger & Luckman, 1967).

In this thesis it will be argued that an adequate theory of transformational change will require the adoption and integration of different concepts, metaphors and theories, such as episodic and continuous mode of change, stages of growth and population ecology, for the exploration of cognitive reframing (March, 1981; Morgan, 1986; Quinn & Kimberly, 1984; Smith, 1984) as well as a social psychological perspective (Kiriakidou & Millward, 2000). It will also require the integration of macro and micro approaches on change.
proposing a meso (House et al., 1995) perspective for the understanding of organisational transformation. That is, whilst the aim of this thesis is not to offer such a ‘grand theory’, an effort is made to articulate a means of understanding organisational change as one involving a cognitive reorientation and reframing. This approach will be informed by a social-psychological perspective advocating that employees’ sensemaking and interpretation of change should be an integral part of any theoretical framework that tries to understand how organisations change.

2.2. HOW DO ORGANISATIONS CHANGE?

The challenge to understand organisational change is not new. Weber (1952) and Merton (1968) postulated a near-irreversible momentum of increasing bureaucratisation and goal-displacement, while Blau (1963) found evidence of bureaucratic flexibility and goal-succession. Shumpeter (1934: 87) argued that organisations become ever more stable until replaced during “gales of creative destruction”, while Chandler (1962) focused on heroic executives radically transforming their organisations as environmental conditions changed. Despite this long history of thought and debate, basic questions remain. Relatively little is known about the nature and characteristics of organisational change, and even less about how patterns of organisational change might discriminate between those few organisations that prosper over time, and those of the majority that do not.

Partial redress of these gaps in knowledge and understanding is evident in the work of those advocating an evolutionary or life-cycle account of organisational phenomena. First articulated by Starbuck (1965) and reemphasised by Aldrich and Pfeffer (1976), Kimberly and Miles (1980) and Child and Kieser (1981), the call for longitudinal, historical perspectives stems: (1) from a dissatisfaction with static, cross-sectional views of organisations which tell little of the impact of history and precedent on current organisational behaviour, and (2) from simple curiosity for answers to such questions as, “How and why did this organisation evolve? Why did certain organisations succeed while others did not?”

Three fundamentally different organisational change frameworks have been proposed. Ecological models emphasise change across populations of organisations as the result of net mortality driven by processes of environmental selection (Freeman, 1982; Hannan & Freeman, 1977). Adaptation models emphasise incremental change where more effective organisations adapt to environmental threats and opportunities (Katz & Kahn, 1966;
March & Simon, 1958; Quinn, 1980). Transformational models focus on metamorphic changes in organisations; that is, organisations change and evolve through a series of fundamentally different periods or stages. While much of this transformational literature postulates a predictable set of developmental stages (e.g., Greiner, 1972; Normann, 1977; Quinn & Cameron, 1983), others argue for unpredictable patterns in the transformation of organisations (Filley & Aldag, 1980; Mintzberg & Waters, 1982).

The present chapter adopts a general approach on organisational evolution and change which integrates what are considered to be the salient points of each of these three perspectives and is termed episodic organisational change (Gersick, 1991). This assumes that organisations progress through convergent periods punctuated by transformations or reorientations which set bearings for the next convergent period. Convergent periods refer to relatively long time spans of incremental change and adaptation where well-elaborated structures, systems, power distributions and resources become strongly interdependent. These convergent periods may or may not be associated with effective performance. Transformations on the other hand are relatively short periods of discontinuous change where strategies, power, structure, and systems are fundamentally transformed. Whilst it is acknowledged that episodic change is planned and intended with executive leadership mediating between internal and institutional forces for inertia and competitive environmental forces for transformational change, it is argued here that it is employees’ social construction of organisational reality, sensemaking processes and interpretations of change that will determine the realisation of the change effort. In particular it is argued that employees’ cognitive reframing and sensemaking constitute the internal dynamics that shape the realisation of organisational transformations as well as its mode (whether it is episodic or continuous; see Section 2.3.8) and which thus need to be fully understood.

The following section elaborates on this basic framework and in so doing incorporates literature from multiple perspectives to clarify and expose the limitations of the advocated model. A number of researchers (Barnett & Carroll, 1995; Dunphy, 1996; Van de Ven & Poole, 1995) in their reviews of the change literature have argued that research on episodic transformational change has been short on explaining the dynamics of change and especially what drives change from the convergent to the transformational period. The present thesis argues that this may be due to a lack of knowledge concerning how employees understand and respond to transformational changes initiated by top management. Employees’ understanding and responses to such changes as strategic
reorientation, CEO and top management replacement, redesign of organisational forms, or expansion into new markets is presently more speculated upon than systematically researched. In this sense, the adoption of a meso paradigm (House et al., 1995) that integrates macro and micro perspectives on change is important for a holistic and integrated exploration of the dynamics of change. The following review aims to expose the model of episodic transformational change\(^1\), underline its strong points and its limitations in its effort to address the dynamics of change.

### 2.3. EPISODIC TRANSFORMATIONAL CHANGE

The phrase ‘episodic transformational change’ comprises organisational changes that tend to be infrequent, discontinuous, and intentional (Tushman & Romanelli, 1985). Tushman and Romanelli (1985) argue that episodic change occurs during periods of divergence when organisations undergo radical transformations of strategic orientations and supporting values mainly due to major changes in perceived competitive environmental and industry conditions that render a prior orientation no longer effective. The form of change is labelled ‘episodic’ because it involves rapid and discontinuous shifts precipitated by external events such as change in the competitive conditions and/or internal events such as strategic change intentions (Sastry, 1997). The following sections explore the research on episodic transformational change based on the four elements that according to Dunphy (1996: 543) comprise a fully-fledged or comprehensive theory of change (Table 1). These components are (a) a basic metaphor often unconsciously held of the nature of the organisation (Morgan, 1986); (b) an analytical framework for understanding the organisational change process specifying key variables critical to the change process; (c) an ideal model of an effectively functioning organisation which suggests direction for change and the values to be used in evaluating the success of the change effort (e.g., survival, growth, satisfaction); and (d) an intervention theory which specifies when, where, and how to intervene so as to move the organisation closer to the ideal. Episodic transformational change will be explored according to these principles and this exploration will be enriched with a review of recent studies regarding issues of substance, context and process of episodic change as well as outcomes of change. In part, this review parallels Weick and Quinn’s (1999) review of episodic change, but is more inclusive in also considering substance (content), process and contextual considerations.

\(^1\) The terms of episodic transformational and transformational change will be used interchangeably throughout the thesis.
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In this sense, the aim is to expose the limited nature of the model of episodic change so that it may be debated, and subject the model to empirical testing. As the intention here is to build an integrative perspective using a combination of studies that may have been designed to answer other questions, readers should treat the reference to specific studies as evocative rather than definitive.

Table 1. Summary of Episodic Transformational Change

| Images of Organisation | • Punctuated Equilibrium  
|                        | • Edge of Chaos  
|                        | • Second-Order Change |
| Process of Episodic Change | The process of change follows a number of stages, such as development, stability, adaptation and transformation. Episodic change is an interruption from stability when organisation's adaptation begins to fall behind aiming to short-run adaptation. Key concepts: inertia, drivers of change, replacement and transformation. |
| Ideal Model of Organising | The ideal organisation is one that continuously adapts. It accommodates both continuous and episodic change. |
| Intervention Theory | Planned intentional change in order to overcome inertia and establish the transition through replacement. Change progresses through stages called unfreezing, transition, and refreezing. |

2.3.1. Images of Episodic Change

Images of organisations that are compatible with the notion of episodic change include those built around the ideas of punctuated equilibria, the edge of chaos, and second-order change. In each of these three images, organisational transformation builds toward an episode of change studied from a macro level of analysis indicating that repetitive and incremental action and inertia is interrupted by episodes of transformational change. Moreover, all three images suggest that organisational transformation occurs rapidly and discontinuously, often performed as a deliberate and orchestrated main episode of change that substantially invalidates the status quo.

2.3.1.1. The 'Punctuated Equilibrium' Image

The image of an organisation built around the idea of a punctuated equilibrium (Tushman & Romanelli, 1985) depicts organisations as sets of dense and tightly coupled
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interdependencies that develop during a period of relative equilibrium and stability, often at the expense of continued adaptation to environmental demands. An episode of transformational change is typically associated with shocks to the organisation's environment, caused by decreased adaptation and effectiveness or by external turbulence. Episodic change then seeks to overcome inertia and rigidity and meet the newly defined challenges with revised activity patterns and strategic orientation. The airline industry can be cited as exhibiting a series of episodic changes in strategy, structure, and culture following its 1978 deregulation (Kelly & Amburgey, 1991). Romanelli and Tushman's (1994) history of Steinberg Inc. found convergent periods each extending for over 10 years until economic and/or legal conditions presented a series of crises. Each episodic reorientation involved a series of rapid and discontinuous changes in strategy, structure and core values. The four case studies that provide the context for the present exploration of episodic change constitute cases of punctuated equilibria as seen from a macro level of analysis. The focal organisations were chosen as they exhibited an episodic transformational change of their strategy, structures, culture and top management personnel after long periods of stability in order to achieve efficiency in widely changing environments. Furthermore, they were examined at the early stages of the change implementation effort in order to capture the episodic nature of change. Organisations were deemed to have introduced episodic changes if they announced a major change programme in the Financial Times, discussed the changes at length in the annual reports and introduced a change in direction (Dean & Carlisle, 1998). Chapter Four will illustrate in detail the episodic changes that resulted from the planned change programme introduced in the academic institution under study, while Chapters Seven and Eight will present the substance of change in the three additional organisations.

2.3.1.2. The 'Edge of Chaos' Image

A chaotic image of transformation (McDaniel 1997; Stacey, 1995) describes organisations as a web of interconnected and complex relationships involving nonlinear feedback (Arthur, 1995). Organisations are depicted as systems that are a mixture of predictability and unpredictability, stability and instability, control and spontaneity (Gleick, 1987; Stacey, 1995; Thietart & Forgues, 1994). Under certain circumstances, when such dynamic interdependent systems reach a critical threshold, new conditions of stability can spontaneously emerge "out of chaos" (Lichtenstein, 1997: 404), shifting the organisation into another level of development (Arthur, 1990; Kauffman, 1993; Prigogine & Stengers,
Applied to organisations, Carroll and Burton (2000) show how the actions and decisions taken by entrepreneurs and their teams at three different high-tech companies fundamentally reorganised and restructured their operations during pivotal moments in their evolution. Lichtenstein (1997) focuses on integrating the theory and practice of organisational transformation through the metaphors of chaos theory and self-organisation describing transformations as sparking not through rational efforts but through ‘grace’, ‘magic’ and a ‘miracle’. The notion of continuous movement between stability and instability, why instability is possible and how it can be adaptive for the organisation will be further explored in Chapter Three and then discussed in Chapter Nine. The present thesis extends the above research as it explores the movement between stability and instability not only at the macro level in terms of strategies, structures, and policies but also at the micro level in terms of employees’ cognitive framing and reframing. In particular, it employs a meso level of analysis (House et al., 1995) exploring how lower levels of analysis make sense and respond to transformational changes initiated by top management. The notion of organisational learning (Senge, 1990) will be used in Chapter Eight to describe the sensemaking context whereby employees challenge existing cognitive schemas and learn to create a balance between stability and instability and creatively adapt to a changing environment (Senge, 1990; Stacey, 1993). Moreover, Chapter Nine (Section 9.4.2) will discuss the presence of paradox (i.e. coexistence of stability and instability) as central in explaining how change occurs and is introduced in organisations.

2.3.1.3. The ‘Second-order Change’ Image

The image of second-order change depicts an organisation as a system where shared assumptions and beliefs operate as interpretative schemas in the service of coordinated action (Langfield-Smith, 1992; Bougon, 1992). There are two ways these schemas may change. Dunbar et al. (1996) described first-order change as incremental modifications in current beliefs and assumptions. Second-order change on the other hand, is an episodic and transformational shift in the present ways of interpretation and cognitive frameworks where organisational paradigms are reframed and norms and world views are changed (Argyris & Schon, 1978; Tushman & Romanelli, 1985). First-order change is illustrated by a shift of culture at Motorola from a production-led bureaucracy to a market-led bureaucracy (the firm remained a top-down bureaucracy). Second-order change is illustrated by the later culture shift at Motorola from a market-led bureaucracy to a
network-partnership culture in which power was distributed rather than concentrated (Galpin, 1996). The relevant research however, even though it recognises that transformational change refers to changes in cognitive frameworks does not specify how these changes can be achieved. It thus fails to address the dynamics of change. This thesis will try to address this issue building on the key concepts of Organisational Identity Theory (Albert & Whetten, 1985; Ashforth & Mael, 1989; Dutton et al., 1994) in order to explore what might trigger change in organisational cognitive frameworks that enable change to be realised and examine its effect on the conceptualisation of episodic change and will be further discussed in Section 2.3.8 and Chapter Three.

In short, the image of organisation suggested by conceptualisations of episodic transformational change is of a social system that exhibits the following characteristics:

- dense, tightly coupled interdependencies among subunits similar to notions of alignment (e.g., Pfeiffer, 1998) and cultural inertia (Tushman & O'Reilly, 1996);
- efficiency as a core value;
- a preoccupation with short-run adaptation rather than long-run adaptability;
- constraints on action due to powerful norms, strong cultures and deep structures;
- imitation as a major motivation for change.

The importance of imitation is reflected in Sevon's (1996: 60-61) statement that "every theory of organisational change must take into account the fact that leaders of organisations watch one another and adopt what they perceive as successful strategies for growth and organisational structure". However, what is left unspecified is the effect of imitation on employees' conceptualisations of the new organisational paradigm and how it affects the change of their cognitive frameworks and their acceptance of change. Breakwell (1986) argues that the principle of distinctiveness and not imitation is important in guiding the assimilation and accommodation of the prospective content of the proposed change into the identity structure (see Section 3.5). Chapter Six however, will show that perceptions of imitation have a distinctive and positive effect not only on employees' favourable interpretations of change but also on the change of their cognitive frameworks. Finally, in each of these three images, it is assumed that organisational action builds toward an episode of transformational change when preexisting interdependencies, and/or cognitive frameworks and interpretative schemas produce inertia.
2.3.1.4. Research Themes

Over the past two decades, Tushman, Romanelli and their colleagues have developed a productive research programme built on issues of technology and transformational change in organisations (Tushman, Virany & Romanelli, 1985; Keck & Tushman, 1993; Romanelli & Tushman, 1994) finding support for the episodic mode of organisational change after periods of stability and convergence. For readers interested in historical background, Burke (1994) reviews and compares various models regarding the substance of transformational change dating from the 1960s through the 1980s. Recent empirical research has found support for the theory in a range of industries, including hospitals (Meyer, Brooks, & Goes, 1990), airlines (Kelly & Amburgey, 1991), savings and loans (Haveman, 1992), minicomputers (Tushman, Virany & Romanelli, 1985), cement (Anderson & Tushman, 1990) and newspapers (Amburgey, Kelly & Barnett, 1993). Such research has identified both contextual and content issues of episodic transformational change.

2.3.1.4.1. The Substance of Episodic Change

As far as the substance of episodic transformational change is concerned, research so far has identified that organisations undergo episodic transformations of strategic orientations and supporting values (Gersick, 1991; Kelly & Amburgey, 1991), power systems (Haveman, Meyer, & Russo, 1993), formal structures (Haveman, 1992), and controls (Amburgey, Kelly & Barnett, 1993). Sastry (1997) presents Singer’s diversification into high technology products and markets as a fundamental and transformational change. No longer does the company intend to be perceived as a producer of quality sewing machines and furniture. Traditional Singer Sewing values and images, as well as products and markets served, power, structure and control systems have been fundamentally altered in rapid order.

The following two models to be presented attempt to define factors that comprise the substance of transformational change efforts. They lay on factors that underlie an organisation’s long-term relationship to its environment and, thus, define its overall character, mission, and direction.

Huber and Glick (1996) identify the transformational dynamics inherent in episodic change efforts. Transformational factors deal with areas that require new employee behaviours as a consequence of external and internal environmental pressures. Such
factors include leadership, culture, mission and strategy. They also identify a number of transactional factors dealing with psychological and organisational variables that predict and control the motivational and performance consequences of a work group's climate. These variables include management practices, structure, systems (policies and procedures), task requirements and individual skills/abilities. However, no mention was made to employees' cognitive reframing as a requirement of the realisation of change.

Mezias, Grinyer, and Guth (2001) tackle a number of elements in order to depict the magnitude of the transformational changes faced by many organisations. They argue that episodic transformational change affects issues of culture (e.g., shared values and beliefs), configuration (e.g., organisation design) and coordination (e.g., controls necessary to monitor progress) within the organisation. They also define key organisational resources such as people (e.g., new behaviours) information (e.g., new data requirements) and technology (e.g., new required equipment) that comprise the content and substance of episodic change. Moreover, they assert that a transformational change necessitates consideration of the revision of strategic intent, processes, resources, outputs, competencies, strategic responses, challenges and learning capacities. Summarising, the reviewed studies provide insights into the substance and magnitude of transformational changes. The content however, of the change efforts is closely presented with and linked to the context of the changes, that is, the change of the internal/external conditions that have an effect on the organisational adaptation across time.

2.3.1.4.2. The Context of Episodic Change

The contextual issues principally focus on forces or conditions existing in an organisation's external and internal environments. Forming the context in which an organisation functions, external conditions include such factors as governmental regulations, technological advances, and forces that shape marketplace competition, whereas internal conditions include the degree of specialisation or work specificity required by existing technology, level of organisational slack, and experiences with previous changes.

Dopson (1997) explored industry- and or organisational-level changes taking place in hospitals offering insights into how changes in the internal and external components that comprise the contextual elements of different competitive environments are necessary for successful organisational transformation. They showed that health-care providers
responded in an episodic and transformational way to new governmental regulations intended to contain costs by introducing strategic and structural reorientations. Health-care corporations and managed health-care plans were implemented at the ‘firm-level’ as a complete metamorphosis took place in all aspects of the health-care industry. Furthermore, Kelly and Amburgey (1991) investigated organisational inertia and momentum in the airline industry following its 1978 deregulation. Viewed as a discontinuous or second-order change, deregulation transformed the fundamental nature of the airline industry, as individual carriers were allowed to independently set fares and to enter and exit passenger markets at will.

Fox-Wolfgramm, Boal, and Hunt investigated patterns of change in two banks over a seven-year period in response to the Community Re-Investment Act (CRA) during which they were under increasing pressure to comply. The two banks were labelled as ‘defender’ and ‘prospector’ according to Miles and Snow’s (1978) strategic orientation based on their previous methods of operating. The defender bank was required to undergo second-order change, but this was not sustained because the changes were inconsistent with the organisation’s identity and image as perceived by the top management responsible for designing the change. The prospector bank underwent first-order change, and this was sustained as the required changes were consistent with its envisioned identity and image. Drawing on their analysis, Fox-Wolfgramm et al. developed various propositions on organisations’ adaptations to change and argued that organisations will resist pressures for change that are inconsistent with their current identity or envisioned identity and image as perceived by the strategic decision-makers. Indeed, they concluded that an organisation’s identity and image are more important in sustaining change than is success.

Fox-Wolfgramm et al.’s (1998) results are consistent with Dean and Carlisle’s (1999) study exploring the effect of legislative (i.e. privatisation processes and Water Act 1989) changes on the responses of the UK water industry. Dean and Carlisle (1999) concluded that in response to radical environmental changes, a transformational and second-order shift in organisational structures and activities increased short-term financial performance and long-term survival chances. However, consistent with Fox-Wolfgramm et al. (1998) they suggested that under conditions of radical change, the more closely related new activities are to an organisation’s base domain, the more beneficial the subsequent effects
on net worth and net income. As a result, these findings contradict the assumption that discontinuous changes are related to increased adaptation and enhanced performance.

Tushman and Rosenkopf (1996) conducted a meta-analysis that accumulated and synthesised the results of empirical research on the relationship between organisational variables and transformational change. The principal finding of their analysis is that a successful change effort may depend more on the congruency or fit between content (i.e. centralisation, administration intensity, functional differentiation), contextual (i.e. managerial attitude toward change, managerial tenure, specialisation), and process (i.e. internal and external communications) considerations than the nature of an intended change. As such, Tushman and Rosenkopf (1996) suggest a number of factors that are considered key to minimising resistance to change. However, he failed to consider any of the social-psychological and cognitive factors that may impair employees' understanding and acceptance of change and motivate cognitive inertia.

In the final study to be reviewed, Sastry (1997) developed a simulation model for analysing the dynamics of organisational change. Underlying the model is the notion that strategic renewal is an episodic transformational process that comes about through a juxtaposition of inertia (i.e. commitment to a current strategy) and stresses resulting from dissatisfactions that signal a need for change. The model focuses on four organisational variables: strategic orientation (i.e. what business a firm is in and how it competes); inertia (i.e. resistance to environmental reassessment and to change in social and structural relationships); perceived performance by top managers (i.e. consistency of activities and organisational efficiency); and pressure for change (i.e. environmental changes that render an original strategic orientation ineffective). Sastry's (1997) findings suggest various insights into how organisations may fail in attempting to introduce change. Principal among these is that a change effort is likely to fail if an organisation adopts a strategic orientation that does not match the requirements of its external environment. This, of course, is consistent with both prevailing theory and years of prior research into organisation-environment fit.

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2 The CRA sought to address the problem of banks discriminating against certain areas in their communities. The legislation mandated that banks conduct business consistent with the needs of the broad markets they set out to serve and not discriminate against consumers living in areas deemed high risk.
2.3.1.5. Summary

To summarise, the research reviewed and reported so far provides evidence that episodic transformational change, as conceptualised here, has widely influenced contemporary thinking about how organisations change. The present thesis builds upon this metaphor of organisation in an effort to further examine its adequacy in explaining organisational change. Organisations are conceptualised as undergoing occasional dramatic revolutions to overcome organisational inertia and in this sense, they exhibit two different modes of behaviour, adaptive and inertial or stable and unstable. Changes are defined as simultaneous and discontinuous changes in strategy, structure and power distributions and are assumed to also involve discontinuous shifts in core values (Tushman & O’Reilly, 1996). Episodic transformational changes are analogous to discontinuous shifts in organisational paradigms and are seen as illogical and paradoxical by organisational members (Sproull, 1981). Many of the characteristics mentioned above will become more salient as a result of the analysis of changes that took place in the four different organisational environments that provided the context for the exploration of transformational organisational change in the present thesis (see Chapters Five, Seven and Eight).

The research reported so far conceptualises change just as a shift in strategies, norms, structures and goals (e.g., Ginsberg, 1988) and the development of new employee behaviours. It is helpful however, in suggesting paths for strategic renewal, as well as understanding the effects of considerations such as inertia, stress, and strategic orientation on an organisation's operating systems as it attempts to shift strategic frameworks.

Yet, as Romanelli and Tushman (1994) noted, the internal dynamics that create and shape transformational changes are poorly understood. This inadequacy may be due to the fact that all relevant research on episodic transformational change is concerned with the macro level, the impersonal aspects of organisations, principally focusing on forces or conditions existing in an organisation's external and internal environments. In this sense, the episodic model of change has the tendency to make predictions of organisational functioning and performance while treating individuals as 'black boxes' whose functioning and understanding it does not explain. In this sense, all the reviewed models fail to address the need to understand employee sensemaking, understanding and responses to changes initiated by top management as well as the need to understand the change of cognitive frameworks as requirements for successful change efforts. This thesis will try to address
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this issue, aiming to explore employees' understanding and reframing of cognitive schemas, treating reframing as one of the main processes within the organisation that create and shape the tempo of transformational changes. In this sense, it argues that organisational transformation necessarily involves employee reframing in terms of developing a qualitatively different and more encompassing vision of what the organisation might be (Bass, 1985; Tichy & Ulrich, 1984).

Having described the main images of organisations underpinned by episodic transformational change and having provided a brief description of this thesis’ conceptualisation of organisations, the next step is to provide an analytical framework presenting the main processes to be postulated as critical to the analysis of the depiction of discontinuities. Inertia, as it will be argued in the next section, is presented in the literature as one of the three main processes in this analysis, the other two being the triggering of change and replacement.

2.3.2. The Process of Episodic Transformational Change

Episodic transformation rather than emergent change tends to be infrequent, more formal and strategic in its content and intent, more disruptive because programmes are replaced rather than altered, and initiated at higher levels in the organisation (Mintzberg & Westley, 1992). Transformational change is contemplated when organisational adaptation begins to fall behind and takes form as organisations try to confront problems and experiment with solutions to internal and external conditions. In this sense, the process of transformational change could be perceived as following a number of stages, such as development, stability, adaptation, struggle, and transformation (Mintzberg & Westley, 1992). Three important processes have been identified as critical to the building up to the transformational stage: inertia, the triggering of change, and replacement.

2.3.2.1. Inertia

Inertia is a central feature of the episodic model of change and has been attributed to deep structure (Gersick, 1991), routines (Gioia, 1992), top management tenure (Virany et al., 1992), culture (Harrison & Carroll, 1991), success induced blind spots (Miller, 1993), among others. Pfeiffer (1997: 163) defined inertia as an "inability for organisations to change as rapidly as the environment". Miller (1993) demonstrates that inertia may be a consequence of success as organisations discard practices, people and structures regarded as peripheral to success and ignore the signals that suggest the need for change.
Furthermore, Romanelli and Tushman (1994: 1144) argue that organisations are "systems of interrelated parts that are maintained by mutual dependencies among the parts and with competitive, regulatory, and technological systems outside the organisation that reinforce their legitimacy and their existence". As interrelations are dense and tight, they simplify the organisation, sacrifice adaptability, and increase inertia creating the need for large interventions to realign them with the new external and/or internal conditions. However, planned transformational change is also hindered by the inertial barriers of employees' cognitive frameworks that may constrain their understanding and support of the new initiatives. Organisational identity constitutes such a cognitive framework, however its role in organisational transformation has been largely ignored in the change literature and will be explored in Chapter Three (Section 3.2). Here it is argued that it is through identity that organisational members attach meaning to various situations, make sense and interpret whatever happens around them. In this sense, they cannot see and understand the new organisational paradigm without changing their cognitive frameworks, their constructions, and their organisational identities. Organisational identity therefore, can foster inertia and will be further explored in Chapter Three (Section 3.2.7).

2.3.2.2. Drivers of Change

The framework of episodic change assumes that in part inertia is a force to be encountered and when inertia builds some driver usually precipitates an episode of transformation. Huber, Sutcliffe, Miller & Glick (1993) argue that the actual drivers of change come from at least five sources: the environment, performance, characteristics of top managers, structure, and strategy. Huber et al provided evidence that all five drivers were associated with internal and external changes but in ways specific to the kind of change being examined (ten specific changes were measured; see Huber et al., 1993: 223). However, what remains understated is that while an environmental impetus is probably necessary for change to begin, as assumed by the episodic model, the manner in which the environment affects the change depends on the organisation's present cognitive schemas and frameworks. As social entities, people, groups, and organisations respond not simply to the features of their environment (e.g., resources or data) but also to the meaning each imputes to environmental events. In the organisational change context therefore, increasing emphasis needs to be placed on understanding the link between how organisational members make sense of information that could trigger change and how they act to influence organisational outcomes (Dutton & Jackson, 1987). The sensemaking
process is one of social construction (Berger & Luckman, 1967), where alternative judgements of an event are imposed, created and legitimated in a social context. As a result, contextual influences in the form of organisational beliefs and resources importantly affect the outcome of sensemaking in predictable ways.

2.3.2.3. Change Through Substitution

The episodic model of change is based on the assumptions that transformational change occurs through replacement and substitution (Ford & Backoff, 1988; Ford & Ford, 1994) where “one entity sequentially takes the place of or substitutes for a second” (Ford & Ford, 1994: 773). For example, this principle assumes that the change of an organisation from a functional basis (‘A’, what already exists) to a product structure (‘Not-A’, its replacement) does not occur because a functional structure becomes a product structure, but that a product structure replaces a functional structure. Change through replacement is consistent with the framing of issues as either/or (Ford & Backoff, 1988). Such thinking may be problematic and actually inhibit change. For example, to counterbalance a loss of control, formalisation may be employed. However, as more control is lost, as evidenced by more rules being violated, more formalisation may be applied, producing an escalation in both a loss of control and formalisation (Ford & Ford, 1995). This escalation becomes a vicious circle, in which the more things change, the more they stay the same.

The way we think about how change occurs constitutes a logic that gives people a way of understanding and analyse change. The assumption that change occurs through replacement excludes the fact that change involves something ‘becoming’ something else and in this sense it does not really address change. There is no alteration in composition, form, or location that will allow ‘A’ to become ‘Not-A’. In other words, the analytical framework which is based on replacement fails to address the paradox of change. Chapter Three will expand current thinking on change to include trialectics (Ichazo, 1976, 1982) where the idea of ‘becoming’ is possible and change occurs through attraction. Furthermore, the idea of trialectics is supportive of the thinking that is found in dynamic, transformational models of change (e.g., Gersick, 1991; Gleick, 1987).

In conclusion, the basic analytical framework depicted in the literature that involves episodic transformational change assumes in part that inertia is a force to contend with. When inertia builds, some trigger usually precipitates an episode of replacement. To
understand episodic transformational change is thus to think carefully and challenge existing frames about inertia, triggers, and replacements (Weick & Quinn, 1999).

2.3.3. Ideal Models of Organising

If organisational change generally occurs in the context of failure to adapt, then the ideal organisation is one that continuously adapts. This holds true whether the focus is on episodic or continuous change. In this sense, Burgelman (1991) provides a generic ideal that accommodates both continuous and episodic changes. He shows that organisations adapt by a mixture of continuous strategic initiatives that are within the scope of the current strategy (induced processes) and additional transformational initiatives that are outside the current strategy (autonomous processes). Moreover, Brown and Eisenhardt (1997) found that successful firms operating in the computer industry relied on both a mechanistic and an organic process and structure combining clear responsibilities and priorities with extensive communication, flexibility, freedom and continuous change. They used semi-structures that is, structures where some features are prescribed or determined (e.g., responsibilities project priorities) but other aspects are not and they linked current projects to future ones using predictable project intervals and transition procedures to preserve continuity and direction. These models however try to understand and explore change in terms of the structures that facilitate the transition from continuity to discontinuity. Chapter Six explores the movement between continuity and discontinuity in employees' cognitive frames considered to be an important part of an ideal model of organising revealed during the analysis of employees' accounts of transformational organisational change in a university setting (Chapter Six).

Finally, Pfeffer (1998) describes some 'high performance management practices' that may produce transformational change. These practices are employment security, selective hiring, self-managed teams and decentralisation, extensive training, reduction of status differences, sharing of information, and high and contingent compensation. However, even though the generic ideals mentioned above suggest directions, values and management practices for successful transformational changes, they still do not specify the process that leads to the transformational period.

2.3.4. Intervention Theory in Episodic Change

Episodic transformational change is associated with planned, intentional change since it is most often based on the intentional reorientation and transformation of the organisational
paradigm. Intentional change occurs when "a change agent deliberately and consciously sets out to establish conditions and circumstances that are different from what they are now and then accomplishes that through some set or series of actions and interventions either singularly or in collaboration with other people" (Ford & Ford, 1995: 543). In this sense, the actions undertaken during the enactment of an intended change are considered as reflecting the process of transformational change intervention (Schein, 1996). However, even though the relevant literature includes assertions about organisational enactment of change, it includes no discussion of the processes that individuals follow when participating in the enactment of change proposed by top management. It is one of the aims of this thesis to explore such processes, as discussed in Chapters Five and Six.

The actions undertaken during the enactment of change have been mainly examined at the external environment and organisational levels and less at the individual employee level or at their intersection (i.e. the meso level). At the environmental level, for instance, various state and local bodies engage in myriad activities that affect the external environment of all organisations. The scope of regulations enforced by state agencies, for example, range from an organisation's input markets (including regulation of employment practices and energy consumption), to conditions in production (including employee safety and health, and environmental pollution), to the nature of outputs (including product safety regulations). The impact of the changes required by such regulations, naturally, require that firms operating within targeted industries respond accordingly. At the same time, however, the impact of the changes require individual employees to change their behaviours so that desired outcomes be achieved. In this sense, during implementation attention should also be given to the change of the cognitive schemas and the ways employees enact their environment which play an important role in employees' understanding of change and the modification of their behaviour (Smircich, 1983).

Furthermore, episodic change tends to be dramatic and even traumatic involving "involving strong emotions" (Higgins, 1989: 407) due to the discrepancy and discontinuity it creates (Higgins, 1987, 1989; Marshak, 1993). Strong emotions may provide a source of organisational stress inducing employees to close the discrepancy (Gersick, 1991; Higgins, 1987), but also they may constrain cognition and performance in ways analogous to those of stress (Barr & Huff, 1997; Driskell & Salas, 1996). However, it is not only strong emotions that make episodic transformational change dramatic and difficult. Chapter Three (Section 3.2.7.2) will argue that employees' perceptions of the
identity of the organisation could restrict their understanding of the new organisational paradigm and constrain its acceptance and commitment to it. The set of beliefs that employees hold about their organisation is a powerful schematic filter used to interpret their environment. Identity can become an inertial barrier hindering planned organisational change since changes that are inconsistent with employees' beliefs about the organisation would be difficult for them to interpret, understand and accept. The research reviewed below deals with actions taken to implement transformational changes within organisations and the nature of employee responses to such efforts.

2.3.4.1. Implementing Episodic Change

Research on implementing episodic transformational change as a process (involving overcoming inertia and establishing the transition to the new organisational paradigm) has its roots in the early work of Lewin (1947). Lewin conceptualised change as progressing through successive phases called unfreezing, moving, and refreezing in order to overcome inertia. Especially he argued that there are some powerful and self-reinforcing forces such as organisational culture and strong norms that produce inertia and need to be unfrozen for change to occur. Recent analyses relevant to episodic change suggest how difficult it is to unfreeze well-elaborated patterns. Schein (1996) suggests that unfreezing involves three processes: (a) disconfirmation of expectations, (b) induction of learning anxiety if the disconfirming data are accepted as valid and relevant (we fear that "if we admit to ourselves and others that something is wrong or imperfect, we will lose our effectiveness, our self-esteem, and maybe even our identity," p. 29), and (c) provision of psychological safety that converts anxiety into motivation to change. Schein's (1996) work also suggests that after unfreezing cognitive restructuring occurs during which concepts are interpreted more broadly and are redefined according to the new assumptions of the proposed change and new standards of evaluation are learned. This thesis contributes to exploring these issues.

Although change at its most basic level has been said to consist of unfreezing, moving, and refreezing (Lewin, 1947) movement through these stages involves more than sequential activities and behaviours and a substantial amount of cognition and interpretation accompanies the process of change. Building on this belief, Isabella (1990) has proposed a model of how managers interpret events as a change initiative unfolds. She suggests that managers' process of change interpretation evolves through a series of stages – anticipation, confirmation, culmination, and aftermath – characterised by a distinctive
set of interpretative tasks and predominant frames of reference. During anticipation managers assemble rumours and other titbits of information into a construed reality (i.e. frame of reference). Managers are likely however to experience denial during the anticipation stage as they may refuse to believe that a change is necessary or that it will be implemented (Jaffe, Scott, & Tobe, 1994). During confirmation their frame of reference draws on conventional explanations and comparisons to past events reflecting understandings that seemingly have worked in the past. In this sense, organisational members may resist change withholding for example participation and attempting to postpone implementation as they perceive the proposed change to be inappropriate. This means that unless employees are appropriately prepared for the introduction of change, denial and resistance may arise. During culmination managers compare conditions before and after an event looking for symbolic meaning in order to amend their frame of reference to either include new information or omit invalid information. During culmination managers may experiment with new behaviours as a test of their effectiveness in achieving promised results and may be manifested during culmination according to Isabella (1990). Thus, to counter possible resistance, changes must be viewed in a positive light. Finally, during aftermath, they review and evaluate the consequences of change and commitment may take place as members embrace a proposed change. Isabella (1990) provides support that frames of reference are a predominant organisational sensemaking device during change. Her analysis is especially helpful as it suggests a new perspective for thinking about resistance to change, that is, as inherent element of the cognitive transition occurring during change. However, she does not explicate the processes that lead to cognitive transition.

Kotter (1995) and Armenakis, Harris, and Field (1999) have described multi-phase process models that facilitate the implementation of transformational change mainly based on the previous findings about the way employees understand and overcome resistance and impediments to change. Kotter (1995) proposes that there are at least eight phases in carrying out transformational changes: (a) establishing a sense of urgency by relating external industry demands to problems and potential problems or major opportunities facing an organisation. (b) Forming a powerful guiding coalition by assembling a group with enough power who embrace the need for change and who can rally others to support the effort. (c) Creating a vision to help direct the change effort and achieve that vision through the development of appropriate strategies. (d) Communicating the vision using
every possible channel as well as teaching new behaviours by the example of the guiding coalition. (e) Empowering others to act on the vision by changing systems or structures that seriously undermine the vision and by encouraging risk taking and nontraditional activities and actions. (f) Planning for and creating short-term wins by planning and creating improvements and rewarding employees involved in the improvements, thereby building momentum for continued change. (g) Consolidating improvements and changing structures, systems, and policies that do not fit the vision. (h) Institutionalising the new approaches by articulating the connection between the changes and organisational success.

Finally, Armenakis et al. (1999) proposed a model that incorporates elements of both Lewin's (1947) work and Bandura's (1986) social learning theory in order to explore the facilitation and adoption of desired change. Armenakis et al. (1999) underline the significance of the basic change message being conveyed. To be effective, such a message should incorporate five components: (a) discrepancy (i.e. we need to change); (b) self-efficacy (i.e. we have the capability to successfully change); (c) personal valence (i.e. it is in our best interest to change); (d) principal support (i.e. those affected are behind the change); and (e) appropriateness (i.e. the desired change is right for the focal organisation). The logic behind this model is to convert organisational members into agents of change. This conversion may be facilitated by persuasive communication and the management of internal and external information, active participation by those affected (e.g., participative decision making), supportive human resource management practices and the establishment of formal supportive activities (e.g. new organisational structures), symbolic activities, and diffusion practices (e.g., best practice programmes). These models however, try to explore the facilitation of transformational change based on pre-structured theoretical frameworks that assume how members understand and make sense of change without exploring the actual way through which their interpretations of transformational change evolve. Moreover, they do not address the issue of employees' cognition that may play an important role on how they make sense of all the above phases and how they may change collective cognition.

The present thesis builds on the previous work and goes a step further by explicitly arguing that organisational members' understanding of transformational change requires a cognitive reorientation, a revision of their conceptual schemas. Without cognitive reframing members' understandings will follow existing paths guided by the use of existing schemas and frames of reference. It also extends the notion of frames to include
not only present but also frames of reference directed in the future (Chapter Six). Moreover, it draws a portrait of the evolving cognitions through which all organisational members rather than just managers come to understand change. Additionally, the present work explores the question of how a new reality is developed. Does it arise because members use the same cognitive processes or because social interaction occurs? Answering this question requires understanding issues about information availability, interaction patterns and the impact of the types of proposed changes (Chapter Six). Finally, the present work will try to address the issue of employee understanding of transformational change and its concomitant implications for change implementation building inductively from a dialectical process of analysing the process employees seem to follow when making sense of changes introduced in their organisation. In summary, this approach supplements the above models insofar as it provides the means for exploring possible reasons behind depicted reactions to change. In this way, it addresses the dynamics of change, an issue that is taken up more fully in Chapter Nine.

2.3.5. Summary

Summarising, it has been shown so far that recent analyses of organisational change suggest a growing concern with the tempo of change, understood as the characteristic rate, or pattern of activity, developing and exploring episodic models of change. Episodic transformational change is analysed on the basis of implied images of organising, analytic frameworks, ideal organisations, and intervention theories. Inertia is fundamental in the conceptualisation of transformational change which has been argued to follow the process of ‘unfreeze-transition-refreeze’ (Lewin, 1947; Schein, 1996). The above review has however highlighted the inadequacy of existing research to address the dynamics of change revealed by an exploration of how unfreezing and cognitive reframing can take place. Before the attention of the thesis is turned to tackling the above inadequacies, a final research theme is evident in the transformational change literature, which could not be classified into Dunphy’s (1996) principles for reviewing the literature on episodic transformational change. This theme concerns the nature of criterion variables commonly assessed as outcomes in transformational change research. Their brief inclusion in the present review was judged to be important because they complement the literature on implementation taking into consideration not only macro but also micro variables. In this sense, they contribute to the development of the meso paradigm adopted in this thesis.
trying to explore how employees respond to transformational changes, even though they still do not explicate how employees understand and make sense of them.

2.3.6. Research Involving Outcome Variables

This stream of research assumes that successfully implementing change inevitably requires encouraging organisational members to enact new behaviours so that desired changes are achieved. The outcome variables described in the various studies reviewed in the preceding sections have primarily involved success/failure criteria such as profitability, operational efficiency and effectiveness or market share. As implied in the phase and stage models discussed above, attention to ‘bottom-line’ criteria alone, however, is insufficient for gauging employee responses to actions undertaken during the enactment of an intended change. The actions required to implement a desired change may evoke unintended responses like denial and resistance, and further result in employees experiencing feelings of stress and cynicism, as well as reduced organisational commitment.

Hodgkison (1997) suggested that despite recognising a need for renewal, organisational members may yet resist change. He concluded after examining the top management in 41 UK residential estate agencies that organisational members are likely to resist change even though redirection is judged necessary if they believe they stand to lose something of value as a result because of a perceived threat on their self-interests. Furthermore, Reichers, Wanous, and Austin (1997) argued that cynicism should be used as a criterion variable in assessing the impact of organisational change on employees because change efforts are likely to fail if employees responsible for an organisation’s success lose faith in senior management as change agents. Factors they identified as contributing to the development of such cynicism include a history of failed change programmes and inadequate sharing of information about intended changes. Reichers et al. (1997) concluded that cynicism about changes has detrimental consequences for such employee outcomes as commitment, satisfaction, and motivation.

Kanter (1991) in his extensive survey of managers’ responses to change suggested that members who have experienced many changes in their career reported a substantial shift in commitment and identification from their organisations to their professional associations. Finally, Schabracq and Cooper (1998) argued that demands that are placed on employees charged with enacting new behaviours might cause stress which might also
serve as a barrier to change. Episodic transformational changes demand the revision of
employees' taken for granted responses and well-elaborated skills which may lead to a
reduced sense of control and an increased sense of uncertainty (Callan, 1993). The
feelings of uncertainty, the potential likelihood of being unable to cope, and the difficulty
inherent in developing revised assumptions, roles, behaviours and skills, the greater the
stress which may motivate employees to resist change.

Summarising, it has been shown that resistance, cynicism, stress, and related personal
reactions are clearly relevant outcome variables complementing 'bottom-line' measures
(such as performance) to be considered in the framework of planning and implementing an
organisational change. Inherent in both bottom-line and process criteria for assessing the
viability of an intended change is the realisation that, as open systems, organisations
depend on human direction to succeed. One important implication of this work is that
whereas change efforts may produce desired results (at least in the short-run), in the long-
run they may fail because they did not consider the unanticipated side-effects of
transformational change (Gilmore et al., 1997) in employee engagement to the change
effort. Moreover, Gioia et al. (1994) and Kotter (1995) describe typical transformational
efforts, such as total quality management, reengineering, restructuring, cultural change,
and turnaround, that have failed to introduce any improvements mainly because
organisational members were unable to understand and accept a new conceptualisation of
the organisation and what was required.

In this sense, the exploration of employees' understanding, sensemaking and response to
episodic transformational changes, as well as the reasons behind their reactions is deemed
necessary. Its inclusion in a model of episodic transformational change is believed to offer
valuable insights into the processes involved in managing and institutionalising change
addressing in this way the dynamics of change. Finally, it needs to be stated that this thesis
is also focused on employee understanding of beneficial change. Ways of understanding
other kinds of change, such as those that stem from political concerns (Pfeffer, 1981) or
guileful self-interest (Williamson, 1975) are beyond the immediate scope of the thesis.
Those phenomena have been given significant research attention. Moreover, it is more
puzzling that beneficial change is not often understood and resisted by loyal members who
sincerely want what is best for the organisation. The next sections will attempt to
summarise the research reviewed so far in order to elaborate on the strong points and the
limitations of the literature and introduce in greater detail the approach adopted by the present thesis.

2.3.7. Summary and Limitations of the Literature

The review of the recent literature of research and theory on episodic transformational change clearly indicates that the field is robust and that it continues to be responsive to contemporary organisational demands. In reviewing the recent change literature, several remarks present themselves.

First, a theory of episodic organisational transformation argues that organisations undergo occasional dramatic revolutions or transformations to overcome organisational inertia and set a new course for the organisation to follow. Empirical evidence has lent support to the proposition that when studied from a macro perspective organisations change orientation via rare transformative events (e.g., Miller & Friesen, 1980; Greenwood & Hinings, 1988; Gersick, 1991; Amburgey, Kelly, & Barnett, 1993). In particular, research on episodic transformational change has shown that the same organisation may exhibit two different modes of behaviour – adaptive and inertial – at different times. In this way, episodic change models provide a means for integrating the views of organisations as readily changeable (Thompson, 1967; March, 1981) with the population ecology view, in which environmental selection is said to be the primary mechanism for changes in organisational populations (Hannan & Freeman, 1989).

Tushman and Romanelli (1985) argue that as organisations grow and age they develop emergent values, core beliefs, and commitments along with standard procedures, which together become self-reinforcing. These emergent inertial processes operate to reaccomplish the status quo. Given multi-level sources of inertia, organisations actively resist transformational change; they become dynamically conservative (Downs, 1967). However, if organisations, particularly successful organisations, resist change, how do they evolve in the face of environmental change? Population ecology models argue that inertial forces are so strong that environmental shifts will be associated with waves of exits and new entrants (Brittain & Freeman, 1980). An episodic approach to organisational transformation argues that organisations are indeed stable and inertial systems, but that they do change relatively infrequently in quantum, discontinuous shifts from one state to a qualitative different state (Starbuck, 1968; Tushman & Romanelli, 1985). Building on this episodic approach to organisational transformation, strategic reorientations and
fundamental changes are defined as simultaneous and discontinuous changes in strategy, power, structure and controls. Transformations and reorientations also involve discontinuous shifts in core values and are analogous to discontinuous shifts in organisational paradigms (Sproull, 1981). In this sense, the question now becomes, how is inertia overcome in order for the transformational period to take place?

Second, whereas research on content, contextual, and process considerations related to change continues to be responsive to contemporary organisational demands and provide valuable insights, analyses of organisational change have generally tended to be limited in scope, focusing on one set of considerations or another. However, it is clear that studies need to evaluate content, contextual and process issues so as to make predictions about how and why organisations change taking into consideration the complex interrelationships between the variables and in this sense aid in unifying the field. This thesis will constitute an effort to address issues of content, context and process relating to employees' understanding and sensemaking of episodic transformational change trying to investigate the research question of how organisations change.

A third issue is that organisational change research is arguably something to be conducted longitudinally. Van de Ven and Huber (1990: 213) noted, the question of 'how' change emerges, develops, continues, and terminates over time remains largely unanswered demanding the exploration of the temporal sequence of events that unfolds as a change occurs. Moreover, Pettigrew (1990) has addressed the value of research on content-based organisational change that allows the change process to reveal itself in a contextual manner. Finally, Fox-Wolgamm et al. (1998) were able to advance propositions relating to how and why organisations exhibit different modes of change in response to environmental pressures by considering both immediate and more distant antecedents that gave form, meaning, and substance to the changes they investigated.

The present thesis shares the argument that organisational change research should be conducted longitudinally in order to uncover the mechanisms through which changes are created and sustained (Pettigrew, 1990). However, here, a more practical alternative to longitudinal studies is used: retrospective accounts (Swan & Newell, 1998). This is mainly due to the fact that the change under study in the university context (exploratory case study) had already been started one year before the start of the research. Since the main interest of the thesis was the exploration of how organisational members understood and
made sense of changes at the initial stages of the change effort, the retrospective accounts were judged to be the best alternative to a longitudinal study (see Chapter Four).

A fourth issue is that the use of qualitative methods in conducting organisational change research has grown in the last years. Cassell, Close, Duberley, and Johnson (2000) have used repertory grid methodology to explore embedded assumptions and facilitate organisational change, Gioia and Thomas (1996) have used grounded theory to analyse managers’ interpretation of change and Krug (1998) has demonstrated the benefits of video technology for simple data collection, as well as for visually analysing non-verbal reactions to change. The present work builds its explorations of the phenomenon of transformational organisational change on the use of qualitative methods as discussed in Chapter Four.

A fifth issue relates to increasing the likelihood of organisational members enacting behaviours necessary for successful change. Additional studies dealing with the behavioural and attitudinal reactions of organisational members to change are needed to further define its human costs and how best to cope with its seemingly inevitable downside. Furthermore, research reporting how well and when specific processes and tactics followed by employees have resulted in the acceptance of change needs to be included for a better understanding of the phenomenon of organisational change. This thesis contributes towards this direction by exploring employees’ cognitive processes.

A final observation is that current research in the field of organisational transformation has yet to draw on findings in cognate areas. Paralleling the work of Clarke et al. (1996) on receptivity and resistance to change, research conducted in other fields may well offer valuable insights on employee understandings of change. The present thesis adopts a cognitive approach to explaining why episodic transformational change, such as strategic reorientation, is often misunderstood and ultimately doomed to failure. In this sense it tries to address some of the important limitations of the research on episodic transformational change. That is, which are the internal dynamics within the organisation that create and shape transformational changes? How do employees respond to and shape transformational changes proposed by top management?

2.3.8. Limitations

Even though there is an extensive amount of research on episodic transformational change, the internal dynamics and processes within the organisation that create and shape
transformations are relatively poorly understood. Outcomes of successful change attempts – transformational changes in domains of organisational definition and activity – provide evidence that episodic transformations do take place at the macro level. However, they do not necessarily explain transformational change in terms of elucidating what drives the transition from equilibrium to transformation or what delimits the conditions required for the success of the transition. Several explanations for this poor understanding can be offered.

First, it is often assumed that change occurs through replacement. Conceptions of replacement are based on a formal logic point of view which argues that an entity is either ‘A’ or ‘Not-A’, but it is not both or something in between. In this sense, Ford and Backoff (1988: 86) proposed that formal logic fosters a perspective of “change through replacement”, in which one entity (e.g., functional organisational structure) sequentially takes the place or substitutes for a second (e.g., product structure). The first entity does not become the second but it is removed or destroyed and is substituted by the construction of the second (Sections 2.3.2.3) thereby the separate identities of both are maintained.

According to formal logic, an entity is itself exclusively, distinct from everything else, and it cannot be anything else. Since change however, involves something ‘becoming’ (Ford & Backoff, 1988; Quinn & Kimberly, 1984) something else, formal logic does not address change, since it does not allow for an alteration in composition, form, or location that will allow ‘A’ to become ‘Not-A’. Therefore, formal logic conceptualises change as a paradox (Ichazo, 1982). Formal logic deals with identity (i.e. what something is) as permanent and cannot address the phenomenon of transformational change. In this sense, the mere assumption that change occurs through replacement presupposes a perspective which does not explain change. Therefore, to develop an effective understanding and theory of change will require the adoption of different epistemological frames (Morgan, 1986; Quinn & Kimberly, 1984) which provide an explanation of change as a phenomenon of ‘becoming’.

Moreover, in order to explore and understand transformational change a perspective needs to be adopted that is supportive of the thinking integral to dynamic, transformational models of change. Chapter Three (Section 3.3) will try to expand the growing body of thinking on change to include the notion of trialectics.

Second, theories of change are typically concerned with the impersonal aspects of organisations including the behaviour of organisations as entities and the nature and effects of their formal and collective parts. They assert that organisational form,
technology, and environmental attributes are dominant causes of organisational actions and performance. However, they have the tendency to make predictions of organisational functioning while treating individual employees as 'black boxes' whose functioning they do not explain.

The literature on episodic transformational change reviewed in this chapter gives little attention to the human processes by which organisations grow, reach stability and change. It is as though it is assumed that the organisation is nothing more than just a set of structures, communication systems, policies and procedures, rules and roles, buildings and locations and so on, operating via a complex nexus of interdependent individual and group practices. Yet there is clear evidence that the organisation can be construed as a social-psychological reality in its own right: a reality arising from the way it is represented and enacted by employees on a day-to-day basis in various institutional contexts (George & Jones, 2001). However, this is not to say that the organisation is equivalent to its representation by employees since this is inappropriate. An organisation can exist independently of its social-psychological reality in the form of structures, systems and procedures, as noted above (Millward, 1995). What is implied here is that organisations and organisational change are enacted. That is, they are constituted by the ongoing sensemaking and action of organisational members, and have no existence apart from such action (Giddens, 1979). In this sense, employees’ sensemaking either reproduces existing organisational properties or it alters them.

A few studies can be cited that have considered the role of social-psychological, sensemaking variables, though only those of top management team members (e.g., Barr, Stimpert, & Huff, 1992; Bartunek, 1984; Dutton & Duncan, 1987; Mililiken, 1990). Here it is argued that organisational transformation cannot be portrayed as the inevitable outcome of directors’ predefined scripts and choreographed moves or as a sudden discontinuity that fundamentally invalidates the status quo. Rather, organisational transformation is most appropriately construed as an ongoing and moderate process of change enacted by organisational members trying to make sense of and act coherently in the world. Therefore, here the focus of conceptual analysis is the social-psychological reality of organisations as depicted by employee sensemaking of transformational organisational change initiated by top management. Traditional organisational change scholars have ignored many of the social-psychological processes by which change evolves. On the contrary, it is argued here that social-psychological processes inherent in organisational
members’ sensemaking and enactment of episodic change need to be integrated to more fully account for the understanding of episodic transformational change.

Furthermore, a social-psychological approach would contribute to a more complete understanding of inertia being recognised as one of the main elements of the analytical framework characterising organisational transformation. Inertia (Section 2.3.2.1) has been conceptualised in the literature as the inability of organisations to qualitatively change as rapidly as the environment (Pfeifer, 1997) due to deep structure (Gersick, 1991), first-order and second-order change (Bartunek, 1993), routines (Gioia, 1992), success induced blind spots (Miller, 1993), top management tenure (Virany et al., 1992), culture (Harrison & Carroll, 1991), complacency (Kotter, 1996), or technology (Tushman & Rosenkopf, 1996). However, the literature undermines the inertial barriers of organisational members’ cognitive frameworks which may constrain their understanding of a need for change as well as of the introduced conceptualisation of the organisation and restrain their support of the new initiative. In this sense, organisational members need to revise their mental models of the organisation sufficiently quickly to accept the new conceptualisations of the organisation which would facilitate its adaptation to the changing environment.

However, the literature reviewed so far does not provide a comprehensive investigation and explanation of how the revision of cognitive frameworks and mental models takes place. The social-psychological approach adopted in this thesis contributes to the understanding of the revision of employees’ cognitive frameworks attributing its difficulty to the self-fulfilling character and the enduring conceptualisations and theorising of employees’ cognitive frameworks which do not support episodic, qualitative and transformational changes.

In short, organisational transformation - insofar as it denotes an episodic transformational change - involves, at its essence, a cognitive reorientation of organisational members (Gioia & Chittipeddi, 1991) one that reflects members’ acceptance of the proposed discontinuities into their cognitive frames. This cognitive reorientation requires a change in the content and value of members’ perceptions of their organisational identity (Breakwell, 1986). From this cognitive perspective, the success of the organisation’s change efforts depends not only on the top management’s ability to undergo a significant shift in direction, vision, and values, but also the cognitive ability of organisational members to understand, interpret as attractive and develop a new conceptualisation of the organisation (Smircich, 1983). The impetus for this kind of change lies with organisational
members who typically are the key actors in understanding and accepting the need for, and intended nature of, the impending change (Smircich & Morgan, 1982; Quinn, 1980). In this sense, organisational transformation necessarily involves reframing on the part of employees (Bartunek, 1989) in terms of developing a qualitatively different and more encompassing vision of what the organisation might be (Bass, 1985; Tichy & Ulrich, 1984). It is in this attempt to achieve understanding and acceptance of an alternative reality among organisational members that cognitive sensemaking (Gioia & Chittipeddi, 1991; Smircich & Stubbart, 1985; Weick, 1979) and symbolism (Morgan et al., 1983, Pfeffer, 1981) are likely to be critically important (e.g., Powell & DiMaggio, 1991). Moreover, given that changes of this nature are seldom brought about by mandate, a process of negotiated social construction occurs (Berger & Luckman, 1967). Organisational members are not passive recipients of managerial claims about change, rather they actively negotiate and validate such claims. This perspective further suggests that to understand episodic transformational change in organisations, it is necessary to examine employee sensemaking and interpretation that serve to create and legitimate the meaning of the change (Dutton & Duncan, 1987). It is crucial to note that meaning is assigned to changed events and issues as an output of the sensemaking process, rather than arising concurrently with the perception or detection of differences between the past and the new (Louis, 1980).

2.4. WHY SENSEMAKING?

The concept of sensemaking is defined here as involving the “structuring of the unknown” (Waterman, 1990: 41). In this sense, it involves the structuring of new organisational conceptualisations as well as the constructions of meanings for alternative organisational realities. The underlying interest of this thesis in sensemaking guides the investigation of how organisational members construct what they construct, why and with what effects. Scholars who study sensemaking define it in quite different ways. Many scholars (e.g., Dunbar, 1981; Goleman, 1985) imply what Starbuck and Milliken (1988: 51) make explicit, namely, that sensemaking involves placing stimuli into some kind of framework or “frame of reference” enabling people to direct interpretation, understand, explain and predict (Starbuck & Milliken, 1988: 51). For example, people use strategy as a framework that “involves procurement, production, synthesis, manipulation, and diffusion of information in such a way as to give meaning, purpose and direction to the organisation (Westley, 1990: 337).
Most importantly, however, a schema or a person’s construction of reality provides the frame through which he or she interprets new information. A cognitive schema is a mental structure that helps individuals to make sense of the world and thus to assign meaning to issues (e.g., Lord & Foti, 1986; Mezias, Grinyer, & Guth, 2001). The cognitive schemas then represent rules that direct information processing, that guide the individual’s attention and memory towards “schema-consistency” (Gioia & Poole, 1984: 451). A particularly powerful schematic filter is the set of beliefs a member holds about the organisation’s identity (Albert & Whetten, 1985; Dutton & Dukerich, 1991; Fiol & Huff, 1992). Fiol and Huff (1992) concluded that organisational identity is key to understanding and managing processes in organisations, an issue taken up in more detail in Chapter Three.

Sensemaking is about identity construction (Weick, 1995). Ring and Van de Ven (1989: 180) argue that “sensemaking processes derive from the need within individuals to have a sense of identity – that is, a general orientation to situations that maintain esteem and consistency of one’s self-conceptions”. Organisational members come to appreciate the nature and purpose of a proposed change by reshaping or clarifying perceptions of their organisation’s identity. The assumption that sensemaking is self-referential based on identity construction suggests that organisational members make sense of whatever happens around them by asking, what implications do these events have for who they are and who they will be (Weick, 1995). What the situation may mean to them is dictated by the salience of the identity adopted in dealing with it. This notion will be made clear in Chapters Five and Six and will provide the basis for the formulation of one of the main research questions described in Chapter Three.

Louis (1980) suggests that the activity of placing stimuli into frameworks, such as identity, is most visible when predictions break down. In this sense, sensemaking may be especially evident in change situations because expectations are often disconfirmed (Tushman & Romanelli, 1985) and some kind of ongoing activity is disrupted. Thus, to understand sensemaking and especially in the case of episodic transformational change is also to understand how organisational members cope with disruptions. The activities of sensemaking mentioned by Starbuck, Milliken, Westley, and Louis focus on the placement of stimuli into frames of reference, but other scholars include more activities than simply those of placement. Thomas, Clark, and Gioia (1993: 240), for example, describe sensemaking as “the reciprocal interaction of information seeking, meaning ascription, and action”, which means that environmental scanning, interpretation, and
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‘associated responses’ all are included. Sackman (1991: 33) talks about sensemaking mechanisms that organisational members use to attribute meaning to events, mechanisms that “include the standards and rules for perceiving, interpreting, believing, and acting that are typically used in a given cultural setting”. Feldman (1989: 19) talks about sensemaking as an interpretative process that is necessary “for organisational members to understand and to share understandings about such features of the organisation as what it is about, what it does well and poorly, what the problems it faces are, and how it should resolve them”.

Starbuck and Milliken (1988: 52) propose that the basic occasion for sensemaking consists of “incongruous events, events that violate perceptual frameworks”. To ‘violate’ something is to interrupt an ongoing flow or when there is an “unexpected failure” between expectations and reality (Mandler, 1984: 52). Moreover, Weick (1995: 188) argues that sensemaking occurs when “some kind of salient, novel, unusual, and unexpected cues stimulates people’s action thresholds to pay attention and initiate novel action. When the ongoing cognitive activity is interrupted, coping, problem solving, and ‘learning’ activities take place. It is apparently at this point that the focus of consciousness is on the interruption”. Another condition exists of a deliberate initiative, usually in response to an internal or external request for an increased level of conscious attention – as when people are “asked to think” or “explicitly questioned” (Mandler, 1984: 60). The transformational change introduced at the university context (Chapter Six), therefore, constitutes an occasion for sensemaking as it is a novel situation, discrepant from the usual past that disrupts members’ perceptual frameworks of understanding the substance of their organisation.

So far it has been argued that sensemaking is about such things as placement of events and issues into frameworks, comprehending, constructing meaning, interacting in pursuit of mutual understanding, and patterning. Adopting a sensemaking perspective then implies that the impetus of transformational change actually lies within members who make sense of the changed events and issues and construct their meaning in order to understand and accept them. However, sensemaking needs to be contrasted with interpretation, which are often used as synonyms, because interpretation is a component of sensemaking.

Sensemaking is clearly about an activity or a process, whereas interpretation can be a process but is just as likely to describe a product (Weick, 1995). A focus on sensemaking...
induces “a mind set to focus on process, whereas this is less true with interpretation” (Wick, 1995: 35).

Porac, Thomas, and Baden-Fuller (1989) argue that the nature of interpretation focuses on attending cues and interpreting, externalising, and linking these cues. What is left unspecified are how these cues got there in the first place and how these particular cues were singled out from an ongoing flow of experience. Also unspecified are how the interpretations and meanings of these cues were then altered and made more explicit and sensible (Weick, 1995). The process of sensemaking is intended to include the construction and “bracketing” of cues (Weick, 1995: 173) that are interpreted, as well as the revision of those interpretations based on action and its consequences. In other words, the key distinction is that sensemaking is about the ways people generate what they interpret. Thus, the concept of sensemaking is valuable because it highlights the invention that precedes interpretation. As Frost and Morgan (1983: 207) suggest, when people make sense of things, they “read into things the meanings they wish to see; they vest objects, utterances, actions and so forth with subjective meaning which helps make their world intelligible to themselves”.

It is also important to separate sensemaking from interpretation because sensemaking seems to address issues at an earlier, more tentative stage than does interpretation (Weick, 1995). When people discuss interpretation of change instances, it is usually assumed that an interpretation is necessary and that the instances to be interpreted are evident. “No such presumptions are implied by sensemaking. Instead, sensemaking begins with the basic question, is it still possible to take things for granted? And if the answer is no, if it has become impossible to continue with automatic information processing, then the question becomes, why is this so? And, what next?” (Weick, 1995: 175). Several questions arise and have to be dealt with before interpretation even comes into play. The way these earlier questions are resolved determines which interpretations are possible and plausible. The purpose of this thesis, thus, is to explore the organisational members’ sensemaking processes involved in constructing possible and plausible interpretations of change instances in the embryonic stages of a transformational change effort.

At the same time, the current thesis aims at investigating not only members’ sensemaking processes in order to construct the meaning of change instances in their organisation, but also members’ interpretations themselves. Interpretation is incorporated into organisational studies (e.g., Jeffcutt, 1994), because ambiguity and equivocation are often
seen as prominent accompaniments of organisational action (Huber & Daft, 1987). For example, March and Olsen (1976: 19) observe that “most of what we believe we know about elements within organisational choice situations, as well as the events themselves, reflects an interpretation of events by organisational members and actors. Those interpretations are generated within the organisation in the face of considerable perceptual ambiguity”. However, the meaning of an event or a change instance is not inherent in the environmental events or organisational developments. When a new construct is introduced into the collective cognitive map of the organisation, organisational members physically act on these events, attending to some of them, ignoring others, and talking to other people to see what they are doing (Daft & Weick, 1984). Interpretation then becomes the outcome of translating events and developing understandings and conceptual schemas about events. Interpretation gives meaning to data, and it occurs before organisational action. In this sense, every organisational activity is contingent on interpretation (Pfeffer & Salancik, 1978).

Perceptions of the organisation and its identity have a major effect on the meanings that evolve (Weick, 1995). Thus, the meanings attached to particular organisational change events or instances would differ among organisational members depending on their perceptions of what the organisation is. Furthermore, because actions taken vis-a-vis change instances follow from the meaning attached to these instances, organisational members may respond differently to similar organisational changes. Meanings attached to change instances are imposed by categories that organisational members employ to describe an instance. Categories are engaged by using linguistic labels. Once applied, labels initiate a categorisation process that affects the subsequent cognitions and motivations of organisational members. These, in turn, systematically affect the process and content of members’ actions toward the change. In this sense, categorisation, an empirically based theory proposed by Rosch and her colleagues (Mervis & Rosch, 1981; Rosch, 1978), is used to understand cognitive representations of objects and events. Its value for understanding individual responses to change instances derives from how and why linguistic labels affect information processing and subsequent behaviours. A critical assertion of this theory is that organisational members form cognitive categories based on their observations of the features or attributes of objects or change instances (Mervis & Rosch, 1981; Rosch, 1975, 1978; Rosch & Mervis, 1975; Tversky & Hemenway, 1983).
Once a change instance is labelled and categorised, the label serves as an address to a cognitive category. Accessing the cognitive category affects both the cognitive processing and the affective reactions of organisational members. Interpretations and information processing follow change categorisation and translate into decisions about how to respond to the change instance involving intraorganisational processes and the eventual actions taken vis-a-vis the change. The above assertions imply that if the categories members use to interpret transformational changes and their attributes are explored it would be possible to predict the differential effects of distinct labels on members’ processing of, and eventual response to, transformational change.

Huff and her colleagues (1992) as well as Jackson and Dutton (1988) among others have argued that the attributes of positive and negative are strongly associated with the categorisation of change instances to different and distinct labels. The attributes of positive and negative reflect evaluative appraisals. Evaluative appraisals are the affective components of cognitions. Fiske and her colleagues (Fiske & Taylor, 1984: 120) referred to these evaluative attributes as “affective tags”. Affective tags may attract organisational members to become associated with a change labelled as attractive and repel members from becoming involved with an change labelled as threat or non-engaging because threats are aversive stimuli from which members withdraw, while attractive changes may bestow status and prestige to those who deal with them. Summarising, it can be argued that the different labels members attribute to organisational changes are associated with distinct constellations of cognitions and affect. These different constellations should predispose organisational members to behave in systematic ways, generating predictable, dissimilar responses to change instances. In this sense, the exploration of the labels members use to interpret change instances and the sensemaking process that guides the construction of the meaning attributed to these labels is of great value as it can predict members’ responses and behaviours toward change and will be investigated within the present thesis.

2.5. SUMMARY

To summarise, it has been argued so far that organisational members experience sensemaking and interpretation when a new construct is introduced suddenly into the collective cognitive map of the organisation. This is mainly the episodic mode of

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3 For a full exploration of the attributes of members' interpretations of change in the current study, see Chapter Five.
transformational change (Tushman & Romanelli, 1985). However, although the role of organisational transformation in effecting organisational outcomes has been well documented, as it has already been argued, the processes involved in overcoming cognitive inertia and promoting change (i.e. change in OIs) in order to achieve cognitive understanding, acceptance, and institutionalisation of a new organisational reality during transformations and transitions have not been adequately studied. It is in this sense that sensemaking is likely to be critically important. Moreover, it has been shown that sensemaking and interpretation serve to create and legitimate the meaning of change. The purpose of this thesis, thus, is to study the dynamics involved in constructing possible and plausible interpretations of different understandings in the embryonic stages of a transformational organisational change effort.

In developing further the present approach of cognitive understanding, we draw on key concepts of organisational identity theory (Albert & Whetten, 1985). Weick (1995) argues that sensemaking is grounded in identity construction as people make sense of whatever happens around them by asking, what implications do these events have for who they will be? Furthermore, the identity employees adopt in dealing with different situations dictate their meaning. Employees derive cues as to what the situation means from their perceptions of the organisation, and much less from what is going on out there. In this sense, identity and in the present case organisational identity, become the cognitive lenses through which employees make sense and construct the meaning of organisational reality. This perspective therefore suggests that organisational transformations presented as radical departures from employees’ perceptions of the organisation’s past and identity fail because the cognitive structures of employees (whose understanding and cooperation is necessary for successful implementation) that guide interpretation constrain their understanding and support for the new initiatives. Accordingly, employees cannot ‘see’ what they are not without changing the reference, that is, their constructions (i.e. their organisational identities). In other words, at the micro level, organisational transformation depends on the inherent ability of employees’ cognitive schemas to radically change and adapt suggesting that the episodic model of change needs to take that into consideration if it is to provide an adequate understanding of change. Accordingly, the next chapter tries to develop the present approach of episodic transformational change addressing the issue of cognitive understanding drawing on the key concept of organisational identity (Albert & Whetten, 1985). It argues that an adequate understanding of episodic transformational
organisational change involves at its essence an understanding of the processes, the mode and the ability that lead to cognitive reorientation of organisational members, the processes that lead to identity change. This is to which the discussion now turns.
CHAPTER THREE

IDENTITY IN ORGANISATIONS

3.1. OVERVIEW

The aim of this chapter is to extend the argument presented in Chapter One by adopting the line that organisational transformation involves, at its essence, the micro-level, a cognitive reorientation of organisational members (Bartunek, 1989; Gioia & Chittipeddi, 1991) which may necessitate a change in their identity. This line of argument is built from the Theory of Organisational Identity. Since identity has been defined as the perceptual self-fulfilling lens through which employees make sense of and interpret whatever happens around them (Ashforth & Mael, 1985; Dutton & Dukerich, 1991) they cannot see what they are not (in the cases of change) without changing the lens, that is, their organisational identities. To date the most prevailing conceptualisations of organisational identity present it as a relatively stable and enduring feature of organisations avoiding explicit links with change. In part, this may be an unfortunate product of different epistemological stances adopted in the organisational change literature since how one conceives of change depends on one’s point of view regarding identity (What is something?) and change (How does something become something else?). Chapter Two (Section 2.3.2.3) has argued that change is generally assumed to occur through replacement restricting change to an ‘either/or’ phenomenon. However, this type of thinking does not address identity change, since it does not allow for an explanation of change as a phenomenon of ‘becoming’, as an alteration in composition, form or location. This point is closely linked to the assumption that organisational identity refers to a relatively stable and enduring feature of organisations which may constitute another reason for the lack of attention to identity issues in the change literature. Here it is proposed on the contrary that organisational identity is better viewed as a relatively flexible and unstable consideration which can facilitate the accomplishment of change rather than destabilise an organisation. This fluidity is evident in the reciprocal relationship between organisational identity and organisational image.
Chapter Three - Identity in Organisations

To explore the notion of identity in the context of organisational transformation the following two issues will be addressed: “What is organisational identity?”, and “What is the relationship between organisational identity (OI) and change?” The first issue is addressed using Albert and Whetten’s (1985) seminal definition of OI as the central, distinctive, and enduring character of an organisation. In particular, OI is viewed as an unfolding narrative and perception about the ‘soul’ or essence of the organisation, advanced by organisational members as claims about meaning (Dutton et al., 1994). It is further argued that a strong OI may constitute a potent form of internalised constraint that often fosters inertia and pressures for continuity. However, given the importance and centrality of the phenomenon of change to the modern organisation, pressures of continuity need to be reconciled with pressures for change.

The second issue of how identity is connected with change is addressed through two main routes: Firstly, by expanding the growing body of thinking on change by including a conceptual framework for the analysis of the process underlying transformational changes. Secondly, by arguing for a reciprocal relationship between identity and image. With respect to the first route, Oscar Ichazo (1982) suggests that there are three points of view regarding identity and change. These are formal logic, dialectics and trialectics. According to Ichazo, formal logic deals with identity as permanent and cannot address the paradox of change. Chapter Two has shown that most conceptions of change are based on a formal logic point of view, a perspective which ironically does not explain change. In this sense, alternative points of view are needed.

Hegel’s dialectics resolves this paradox by making identity a unity of dynamic contradictions, in which change is caused by pressure between opposites. According to Ichazo, however, dialectics confines thinking to change as a never-ending process of conflict. In response, Ichazo proposed trialectics as a way of thinking about change that is based on attraction rather than conflict. Trialectics offers a perspective on change that is supportive of the thinking that is found in dynamic, non-linear models of change (see Chapter Two) such as transformational models (Gersick, 1991; Tushman & Romanelli, 1985), because in trialectics all changes are discontinuous (Ford & Backoff, 1988). In trialectics, all changes are qualitatively different from each other and there is no continuity in identity (Ichazo, 1982; Horn, 1983).

* The notions of employees and organisational members will be used interchangeably throughout the thesis.
Following the lead of Ichazo, this chapter will briefly present three levels of reasoning or logics of change, with a particular focus on the third logic: trialectics. The aim is to identify the major assumptions underpinning them and enable comparisons as a method for elucidating differences and similarities among different perspectives (Gersick, 1991). This comparison will provide a foundation for adopting the trialectics approach in order to understand, manage and work with the process of change (see Chapters Five and Six).

With respect to the second issue it is argued that the reciprocal relationship between image and identity is constructive in its potential for accomplishing transformational change. The relationship between identity and change is further addressed by adopting a dynamic perspective which assumes that organisational identity manifests itself on several levels similar to those identified in research on organisational culture (Schein, 1985) and underlines the role of symbolisation on a dynamic conceptualisation of identity. Dynamism is also introduced in the model by investigating the relationship between process and content of identity. This interrelationship makes explicit the possibility of identity to absorb new content into its core. Accordingly, the final question addressed in this chapter concerns the exploration of the principles that determine which of the potential contents will be absorbed into the core identity structure. Breakwell’s Identity Process Theory (IPT) (1986; 1988; 1992) provides a basis for understanding these dynamic relationships as it directly takes account of the importance of change and provides a framework for understanding how changes in the organisational environment may affect employees’ organisational identities. This chapter then concludes with the formulation of the main research questions.

3.2. ORGANISATIONAL IDENTITY – AN INTRODUCTION

The altered economic, political, and technological world faced by many organisations today is followed by an ever increasing environmental dynamism, complexity and competition. The continuing interest in total quality management, empowerment, virtual corporations, customisation, self-organising teams, and so on, provides a means of coping with such increased dynamism demanding for more fluid and flexible organisational structures and practices and the breakdown of old structures. However, as the old structures dissolve, it becomes increasingly important to have a clear ‘cognitive structure’, a sense of the whole: what the organisation stands for and where it is going (Ashforth & Mael, 1996). This is the area of organisational identity (OI). Chapters Five and Six will
indicate that central to employees' perceptions of the organisation is the notion of identity to which an extensive exploration is now turned.

Some organisational scholars have noted that identity constitutes a meso construct (House, Rousseau, & Thomas-Hunt), a cognitive bridge for linking macro- and micro-level structures and processes (Ashforth & Mael, 1996; Kramer, 1993; Staw & Sutton, 1993; Whetten, Lewis, & Mischel, 1992) lending insight into the character and behaviour of organisations and their members. Those insights concern individual (i.e. within the field of psychodynamics, social constructionism, symbolic interactionism, sociology, and social psychology), group (i.e. within the field of social identity theory and various perspectives on gender, ethnic, and national identities), and organisational identity (Ashforth & Mael, 1989) as well as threats to identity (Breakwell, 1992). They also concern perceptions of organisational identity and identification (Dutton, Dukerich & Harquail, 1994), adaptation (Dutton & Dukerich, 1991), change interpretation (Gioia & Chittipeddi, 1991), or employee commitment (Whetten, Lewis, & Mischel, 1992), denoting identity as a key concept employed to describe and explain individual and organisational sensemaking and resultant behaviours (see Whetten & Godfrey, 1998). These perspectives are harnessed here with view to articulating a model of organisational identity as a fluid context for the individual that guides interpretation and sensemaking. In part, this review parallels Ashforth and Mael’s (1996) review of organisational identity but is more inclusive in also considering the dynamic interrelationship between identity and image denoting its dynamic nature and relating it with the notion of transformational change.

Albert and Whetten (1985) characterised OI as the central, distinctive, and enduring character of an organisation. The notion of ‘character’ encompasses aspects of mission, values, ideology and beliefs, norms, competencies, and customary ways of doing things (Whetten, Lewis & Mischel, 1992). Thus, an OI is that more or less stable and self-defining core set of attributes that differentiates an organisation from other organisations. What makes the notion of identity so compelling is that it attaches meaning to an object (Ashforth & Mael, 1996) as it goes to the core of what something is, what fundamentally defines that entity. Moreover, because the meaning of an object is central to our experience of it, organisations with indeterminate identities are psychologically untenable. Thus, in a real sense, OIs exist because they must.

However, OI does not encompass only organisational-and group-level phenomena, but also phenomena at an individual level. Dutton et al (1994) observed that the organisation
as a social category is necessary to invent and sustain identity and that the organisation’s identity represents the sets of beliefs that members share; however, it is employees’ perceptions of their membership in the organisation that shapes their self-concepts (Ashforth & Mael, 1989). As organisations imperfectly socialise members to a collective view, perceived OI may depart from the organisation’s collective identity and constitute a cognitive self-concept that guides sensemaking and action (Markus & Zajone, 1985).

For organisational members then organisational identity may be conceptualised as their cognitive schema or perception of their organisation’s central, enduring and distinctive attributes including perceptions of its positional status and relevant comparison groups (Dutton & Penner, 1993; Kramer, 1993; Dutton, Dukerich, & Harquail, 1994). Using this conceptual framework, it can be argued then that identity is socially constructed, and as an intersubjective phenomenon, the perceived OI may bear little relation to the ‘objective’ or impartially measured OI. An OI exists to the extent that people believe it does. This is a critical point because the criteria of centrality, distinctiveness, and continuity are often difficult to realise in practice.

Finally, Dutton and Dukerich (1991) have argued that external events and internal organisational changes that refute or call into question these defining characteristics may threaten members’ perceptions of their organisation’s identity. Dutton, Dukerich and Harquail (1994) proposed that it is important to distinguish between two types of OI perceptions: 1) members’ perceived OI (i.e. what members themselves perceive as the central, distinctive and enduring attributes of their organisation) and 2) their construed external image (i.e. what members think outsiders believe that are central, distinctive and enduring attributes of their organisation). The present thesis adopts the framework of Dutton et al. (1994) and further underscores that perceived OI and construed external image are both cognitive representations held by individual members, and both may be affected by external or internal attributions of OI.

Having provided a brief introduction into the concept of OI, the discussion that follows will be based on Albert and Whetten’s (1985) conception of OI and will in particular expand on Dutton et al’s (1994) conception of perceived OI with view to evolving a framework for conceptualising cognitive inertia and pressures for continuity.

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5 Since the focus of the present thesis lies on employees’ perceptions of the organisation’s identity, perceptions of OI will be assumed in any reference to the notion of OI for the remaining of the chapter, unless otherwise stated.
3.2.1. Centrality

OI refers to perceptions of the core set of attributes that denote the essence of the organisation. Markus and Wurf (1986) argue that centrality is an important feature of self-conceptions suggesting that central self-conceptions are generally the most well-elaborated and densely-connected and are presumed to effect information processing, cognition, behaviour, and affect. Further, just as individual identities are embedded to their role in the prevailing circumstances, perceptions of an organisation’s identity are largely tied to its mission. As McMillan (1987: 38) says of the OI, “we are what we do”. Nonetheless, because there are numerous ways of realising a given mission (i.e. the law of equifinality), there is a wide latitude for fleshing out the beliefs, values, and norms that come to characterise the organisation.

Furthermore, the understanding of identity depends on the self-motives being served. In this sense, like individual identities, OIs do not evolve randomly. According to Banaji and Prentice (1994), recent research on the self has traced its activity to three general sets of motives: (1) self-knowledge, that is, accurate and certain evidence of one’s traits and abilities, and in particular, evidence that confirms one’s self-assessment, (2) self-enhancement, that is, the desire for positive feedback about the self, and (3) self-improvement, that is, the desire to bring oneself closer to what one should or would ideally like to be. The common denominator is that the search for self-relevant information is not an impartial exercise: it is rooted in the fulfilment of various needs, including needs for control, consistency, pleasure, and achievement.

In sum, perceptions of the central character refer to a self-contained narrative, a system that makes the most internally coherent or harmonious integration of experiences, pivotal beliefs, values, and norms, typically anchored to the organisational mission. This narrative is a superstructure to which individuals attach their current set of experiences. This informs sensemaking and action.

3.2.2. Distinctiveness

Cognitive sensemaking involves deciphering not only the organisation’s central character but also its unique attributes to a particular setting. The definition of the organisation is largely ‘relational and comparative’ (Tajfel & Turner, 1986: 16) entailing comparisons with similar referents and classifying the organisation as recognisably different from others. The category of ‘innovator’ is meaningful only in relation to the category of
Chapter Three - Identity in Organisations

A given organisation is thus measured against its similar referents who pursue comparable missions, because this enables the observers to categorise them and thus better assess relative differences. Moreover, borrowing from Social Identity Theory Ashforth and Mael (1989: 24) asserted that perceptions of the distinctiveness of the organisation’s values and practices in relation to those of comparable others increase members’ tendency to perceive their identity as more attractive. In this sense, perceptions of uniqueness are fundamental because they define the organisation’s distinctive competence, its ability to do a kind of work that other organisations cannot do (Martin, Feldman, Hatch, & Sitkin, 1983) and provide a clear referent for members’ commitment and identification (Dutton et al., 1994). Thus, while claims of centrality outline the core and central character of the organisation, claims of uniqueness define its boundaries creating a distinction between one organisation and comparable others.

The literature on claims of uniqueness suggests four important points. First, the ‘relational and comparative’ nature of identity implies that different referents and purposes of comparison influence the definition and content of perceived organisational categories. In some cases, comparing one university with another may raise issues of relative teaching effectiveness in some cases, while in other it may raise issues of relative funding. Second, organisational members are most likely to compare their employing organisation with direct competitors because they are ostensible and because they constitute a source of threat (Porac & Thomas, 1994). The comparison dimensions are not selected randomly: they are personally relevant and are selected to maximise the perceived differences between the organisations even though they may be trivial or artificial distinctions and to minimise the perceived similarities (Banaji & Prentice, 1994). Thus, perceptions of OI do not exist in a fixed and absolute sense but as a dynamic process that works in close relation to the social context in which comparisons are made defining the salience of certain attributes (Turner, Oakes, Haslam, & McGarty, 1994).

Third, employees can maintain or enhance their self-evaluations through selective social comparisons which tend to flatter the focal organisation, regardless of its ‘objective’ standing. Studies have failed to demonstrate the association between membership in

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6 Organisations that lack similar referents, such as some monopolies, government agencies, and firms operating in highly specialised niches may instead be evaluated against their own history or goals. Further, over time, the members of a given organisation may abstract a more generic set of standards from a series of specific comparisons, what Mead (1934) terms the 'generalised other', as a basis for self-knowledge and self-evaluation.
stigmatised groups and low global self-esteem that would be predicted by social identity and other theories. 'Downward comparisons' with disadvantaged outgroups is one strategy employed to enhance self-evaluations (Crocker & Major, 1989) A struggling electronics company may draw comfort from the fact that it has not gone bankrupt like some others (Ashforth & Mael, 1996). Further, a group may selectively devalue those dimensions on which it is known to perform poorly. This desired flexible organisational classification is facilitated by ambiguity, complexity, and dynamism, as well as by the diversity of potential attributes for comparison (Albert & Whetten, 1985). Finally, because inter-organisational comparisons help determine and sustain the organisation's boundary, self-referential perceptions of OIs that verify, protect and maintain existing conceptions and boundaries may lead to powerful conservatism. In sum, the distinctiveness criterion suggests that organisational members actively seek to perceive or create flattering distinctions between their organisations and otherwise comparable organisations.

3.2.3. Continuity

The notion of an enduring identity refers to perceptions of its continuity and stability. For an organisation to have an identity is to achieve a sense of continuity. Continuity is fundamental because it connotes perceptions of a bedrock quality, that the organisation has sufficient substance, significance, support, and staying power to warrant the investment of one’s participation and trust (Ashforth & Mael, 1996). Accordingly, continuity begets continuity.

As a new organisation ages and perhaps grows, perceptions of its embryonic identity tend to become more enriched, gaining both depth and breadth (Kimberly, 1987). Depth is gained through the accumulation of experience and learning within a chosen niche. Through trial and error, imitation, innovation, and chance, the mission is refined, the ideology and values are fleshed out, and scripts and standards are elaborated. Breadth is gained as an organisation grapples with environmental flux and complexity, gravitating toward new opportunities and challenges (Albert & Whetten, 1985). These processes suggest that organisations, like people, are constantly in the process of becoming (Sampson, 1985). However, the more clearly and coherently articulated an OI, and the stronger the consensus, the more likely the depth and breadth will follow existing paths.

Nevertheless, during episodic transformational change (see Section 2.3.2.1) (Gersick, 1991; Tushman & Romanelli, 1994) members will be prompted to question core facets of
the organisation, impelling new iteration in the development of identity. Core features of identity are presumed to be resistant to alteration attempts because of their ties to the organisation's history and especially under threatening conditions of change members are usually geared to maintain their identity (members "usually change to remain what they have always been... [they] must change in order to preserve identity" (Gagliardi, 1986: 124-125). Yet, this paradoxical statement nonetheless suggests that identity is not, and indeed cannot be, enduring in any strict sense, even though it apparently retains continuity in its essential features. There must be fluidity to the notion, otherwise, the organisation (through its members) stagnates in the face of an inevitably changing environment.

At this point, it is useful to differentiate between an enduring identity and an identity that has continuity (Breakwell, 1992). The notion of an identity that is enduring implies that identity remains the same over time, that it has some permanency. An identity with a sense of continuity, however, is one that shifts in its perception, interpretation and meaning while retaining labels for 'core' beliefs and values that extend over time and context. Identity is imputed from expressed values, but the interpretation of those values is not necessarily fixed or stable. Organisations tell stories about who they are, where they've come from, and where they are going (Cheney, 1992; McMillan, 1987). In this sense, identity as a narrative provides a reassuring continuity for members in saying that their mission or central values stay the same, but the perceptions, interpretations and translations take different forms over time. (Kimberly, 1987). Thus, in periods of radical transformations members may maintain perceptions of the core by simply couching the OI at a higher level of abstraction (e.g., a stable and bureaucratic retailer in the process of becoming a dynamic and organic one may be perceived to be reaffirming its dedication to service excellence) allowing for flexible interpretations (Gioia & Chittipeddi, 1991). Thus, like the other criteria of OI, continuity is clearly in the eye of the beholder.

3.2.4. Organisational Identity is Socially Constructed

Organisations make identity statements by creating or invoking classification schemas and locating themselves within them (Albert & Whetten, 1985). These classification schemas

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7 However, in the case of meaning shift, attention should be paid at the actual content of the proposed changed interpretations of the same core beliefs and values and their acceptance and degree of attractiveness to organisational members; an issue that will be addressed at the next chapter.

8 In this sense, the purpose of the present thesis is to explore members' interpretations of changed meanings of core values, due to the implementation of an identity change programme.
may be imprecise, possibly redundant or even inconsistent in order to accommodate differentiated subsystems, multiple and often conflicting goals, stakeholders with often contradictory interests, and ambiguous and dynamic forces. In this sense, they make identity claims (Albert & Whetten, 1985) which address the different preferences of the organisation’s internal and external audiences. Furthermore, in order to preserve this ambiguity the organisation’s assumptions are manifested in various and ambiguous ways in order for the different audiences to draw the desired inferences. In this sense, the identity of an organisation is never self-evident; it must be a socially constructed, motivated view and perception of what the organisation represents.

Further, this ambiguity projects into the future. Markus and Nurius (1986) theorise that individuals harbour possible selves, that is, self-conceptions of what one would like to be or is afraid of becoming. These self-conceptions function as incentives for behaviour providing images of the future self in desired or undesired end-states and challenging identities to which one can aspire. They also function to provide an evaluative and interpretative context for the current view of self. Similarly, building on the notion of ego-ideal (Freud, 1925), Higgins (1983) discusses ideal self-conceptions or the attributes the person would like to possess, different from the ‘actual’ self-conceptions which are conceptions rooted in the present more or less likely to be realised. Accordingly, organisational identity claims may be motivated by various needs, such as to understand ‘what the organisation actually is and does’, to legitimate the organisation and justify its actions, and to communicate to others the organisation’s desired character. Thus, the quest to answer “Who are we?,” is a quest for meaning and justification (Ashforth & Mael, 1996).

Moreover, organisational identity claims are likely to be somewhat idealistic so as to capture the hearts and minds of organisational members facilitated by their inherent ambiguity and complexity. This does not mean that an OI is necessarily false, any more than a personal narrative is necessarily false: only that OI claims are selective, highlighting and extrapolating desired features at the expense of the less desirable ( Alvesson, 1990). This selectivity is critical because it may foster identification with and commitment to the organisation. Thus, an OI embodies an idealised essence of the organisation which must be reasonably valid though for the organisation to be attributed a positive reputation and legitimacy (Ashforth & Gibbs, 1990).
Finally, identity claims are more likely to be advanced at certain times. An organisation's identity is most likely to be explicitly discussed when ambiguity, change, or disagreement impair the utility of taken-for-granted assumptions and values and require conscious appeal to the fundamental OI. According to Albert and Whetten (1985) this is most likely to occur during the formation of the organisation, extremely rapid growth, changes in collective status (i.e. merger, divestiture, decentralisation), or even when the organisation is thought to be acting contrary to its identity. Ghoshal and Bartlett (1994) describe how the senior management of a struggling manufacturer, intent on renewal, found necessary to address explicitly the inefficiencies of the old assumptions and redefine the organisation developing a new sense of collective identity. It seemed reasonable therefore to assume within the context of the present thesis that identity claims were likely to be advanced in the time of major discontinuities confronted by all the organisations under study.

In times of discontinuity, the proposed new identity of the organisation may be somewhat idealised in order to inspire employees who are often willing to “suspend their disbelief” and participate in the implementation of a favourable OI (Ghoshal & Bartlett, 1994: 99). Alvesson (1990) describes how members of a consulting firm generally accepted the new but somehow inaccurate new identity of their firm because this identity was more prestigious than the reality. Thus, the idealised identity claims are typically different from actual identity claims (what the organisation is) generating a discrepancy between the two organisational selves (i.e. identity gap) further motivating behaviour toward the ideal.

Evidence from the university study reported in this thesis will amongst other things, contribute to the discussion on identity gap during periods of major discontinuity.

In summary, OI denotes organisational members' perceptions of the central, distinctive, and enduring attributes that define the organisation's essence. Identity claims are typically simplified and idealised statements about an organisation's identity, being most salient and subject to interpretation during major discontinuities. In the next sections, it is argued that organisational identity provides a context for employees (insofar as it can be internalised as an expression of self) and is enacted via employees' cognitions.

3.2.5. An Attractive Organisational Identity

Organisational identities do not evolve randomly. The search for self-referent information is not an objective exercise but strongly motivated by various needs, such as self-
knowledge, self-enhancement and self-improvement (Banaji & Prentice, 1994) as well as continuity and distinctiveness (Dutton et al., 1994). Dutton et al. (1994) argue that when the perceived OI is congruent with and satisfies the individual’s personal needs it is perceived as attractive providing a cognitive link between employee and organisation. Furthermore, embedding one’s sense of self in the organisation provides a sense of meaning, coherence (Alvesson, 1990) and stability (Diamond, 1992) that counterbalance feelings of insecurity, uncertainty and helplessness especially when encountered in major organisational discontinuities. It is implied therefore, that a new OI that may engage one psychologically is more likely to be internalised as a valid expression of self into employees’ identity structure. Attractive and compatible proposed OIs in the case of major discontinuities may be engaging because they provide a persona that one need only adopt and help define an employee, at least within the organisational context.

3.2.6. Enacting Organisational Identity

Weick (1995: 30) argues that “in organisational life people often produce part of the environment they face” through a process by which preconceptions set in motion actions and events that further shape and often reinforce the preconceptions (like self-fulfilling prophecies). Identity is a process that guides thoughts, feelings, and actions (Breakwell, 1986) and the more subjectively important a given identity, the more likely that one will seek opportunities to enact that identity and perceive a given situation as such an opportunity (Swann, 1990). Besides members seek to enact their identity in order to affirm a desired sense of self both to oneself and to others (Emler & Hopkins, 1990). In this sense, there is an ongoing interaction between action and sensemaking. In terms of enactment, Weick (1987: 225) claimed that “the lesson of self-fulfilling prophecies... is that strong beliefs that single out and intensify action can bring events into existence”. Moreover, the more a member identifies with the organisation – that is internalises its identity as a valid statement of self – the more he or she will think, act, and feel in ways consistent with that identity.

Having shown that the organisational identity provides a context for organisational members, the question now becomes “How does the identity and especially employees’ perceptions of the organisational identity (Dutton et al., 1994) effect sensemaking?” A perceived OI provides a cognitive schema for perceiving and interpreting the environment, prescribing thus what is important, legitimate, feasible, appropriate and therefore what gets noticed and what is ignored as insignificant and inappropriate. Dutton and Penner
(1993) argued that issues that appear relevant to an OI are seen as inherently more important – particularly if they threaten the OI – because they bear on the very definition of the organisation.

Moreover, a perceived OI, by its underlying mission and supporting beliefs and values, motivates sensemaking according to the assumptions and core character of the identity. In this sense, issues that appear congenial to the organisation’s mission and values are likely to be seen as appropriate or legitimate for the organisation to handle as they activate members’ schemas about what the organisation can and should do. Finally, issues supported by the core competencies of the organisation are likely to be perceived as possible and feasible enhancing thus employee perceptions of efficacy (Breakwell, 1986). Brown and Starkey (1994) have illustrated the effect of identity definitions and perceptions on the long-term survival and adaptation of a candy producer. Candy defined itself as being focused on the manufacturing rather than the marketing aspect of its operation and was characterised by a strong culture focused on introspection rather than focusing on the industry and the future demands of the market. In this way, it failed to notice both opportunities and threats in the environment demanding change because they were not regarded as relevant or easily resolved. This exacerbated its resistance to change and concluded at its acquisition by a competitor.

The above discussion asserts that organisational identity claims confer perceptions of a certain coherence, stability, integrity, and boundary to the organisation, providing a direction and impetus for action. Furthermore, it is argued that perceptions of OIs tend to be inherently self-fulfilling and organisational members are motivated to confirm an identity they find attractive.

3.2.7. Identity and Inertia

The proposition that identity is a self-fulfilling system implies a closed system, one that is not responsive to dynamic environments and emergent needs. As employees actively construe their environment according to Weick’s (1979) notion of enacted environments, the set of beliefs an employee holds about the organisation’s identity (Albert & Whetten, 1985; Dutton & Dukerich, 1991; Fiol & Huff, 1992) is a powerful schematic filter determining what gets noticed and is used to interpret action. However, because of its self-fulfilling nature it serves to verify, protect, and maintain existing conceptions and evaluations of the organisation. Therefore, it can limit organisational actions (Dutton &
Dukerich, 1991), as well as fundamental change aiming to transform the status quo. In this sense, the acceptance of a newly proposed character of the organisation requires employees to change their cognitive interpretations about the existing character of the organisation (Bartunek, 1984).

In sum, organisational identity theory provides a robust explanation for why transformational change programmes that attempt fundamentally to transform the organisation often fail. According to this theory, fundamental paradigm shifts challenge the previously taken-for-granted assumptions about the core, distinctive, and enduring attributes that employees use to make sense of and orient themselves in their environment. However, under conditions of ambiguity and uncertainty created by transformational changes people turn to their existing cognitive frames for guidance and interpretation. Employees' need however, to reinforce and reproduce the status quo may motivate cognitive inertia and inability to change. Unfortunately, the mechanisms underlying cognitive inertia have not been adequately articulated in Organisational Identity Theory. A more detailed consideration of this issue is offered by Personal Construct Theory.

3.2.7.1. Personal Construct Theory

Personal Construct Theory (Kelly, 1955; Fransella & Bannister, 1977) argues that individuals organise, simplify, and interpret the data that confront them through finite sets of constructs. Constructs are then organised into systems of meaning that constitute the individuals’ ‘theories’ (schemas) about the environment. According to Kelly (1955) constructs organise and restrict perceptions and thoughts and guide cognition in limited directions. Schemas serve as mental maps which enable individuals to traverse and orient themselves within their experiential terrain (Louis, 1983; Weick, 1979) and guide interpretations of the past and present and expectations for the future. As Neisser (1976) and Weick (1979) observed, schemas guide the search for, acquisition of, and processing of information and guide subsequent behaviour and action in response to that information. Lord and Foti (1986: 38) note that “schemas help reduce the information-processing demands associated with social activities by providing a ready-made knowledge system for interpreting and storing information about others”. Furthermore, when a stimulus

9 Summarising research in the area, Taylor and Crocker (1981) identified Six functions of schemas. They 1) provide a structure against which experience is mapped, 2) direct information encoding and retrieval from memory, 3) affect information processing efficiency and speed, 4) guide filling gaps in the information available, 5) provide templates for problem solving, 6) facilitate the evaluation of experience, and 7) facilitate anticipations of the future, goal setting, planning, and goal execution.
configuration is encountered in the environment, it is matched against a schema, and the ordering and relations among the elements of the schema are imposed on the elements of the stimulus configuration (Taylor & Crocker, 1981: 94). Schemas have been conceptualised as outlines of expectations with certain ranges of acceptability for the values of those expectations (e.g., Rumelhart, 1984).

If information from the environment is received that refutes the individual’s existing perceptual schema (Argyris & Schon, 1974), or when the context introduces new salient features (Harris, 1994), the schema is either discarded or modified\(^\text{10}\). Consistent with the social construction of reality (Berger & Luckman, 1967) view described earlier, Louis (1983: 44) suggests that meaning is negotiated in organisations through “bargaining among alternative meanings differentially preferred by the various parties to an interaction”. This negotiation occurs directly and indirectly. As Fiske and Taylor (1984: 8) note, “other people can influence a person’s actions without even being present... our perceptions of others actually present and our imagination of their presence both predict behaviour”. Several theorists (e.g., Mead, 1934; Weick, 1979) have recognised the sensemaking centrality of individuals’ ability to take the perspective of others to guide intrapsychic debate regarding the construction of reality and behavioural decisions. In Section 3.4 the notion of others and their impact on individual sensemaking of change will be explored through the notion of construed external image (Dutton et al., 1994).

However, in most of the cases, when discrepant information (which necessitates change or is generated by planned implemented change) becomes salient its validity may be denied and the existing schema may be retained (Kelly, 1955). In this sense, it is employees’ cognitive impediments that impede transformational change in an organisation’s character. Personal construct theorists suggest that there are two specific cognitive barriers that tend to undermine the acceptance of new transformational programmes, especially initiatives that are inconsistent with the organisational identity schema. First, because schemas are composed of a finite set of constructs, employees may be unable to comprehend fully the meaning of the change. Second, changes that are framed in concepts other than the attractive and positively valued elements of organisational identity are likely to be resisted (see Section 3.5).

\(^{10}\) Bartunek and Moch (1987) have labelled the fundamental alteration of a schema ‘second-order’ change.
3.2.7.2. Impediments to Understanding.

It is important to recognise that the schema-directed nature of the perceptual process lessens the frequency with which schema-inconsistent information is discovered and made conscious. The very nature of schemas act to ensure that drastic challenges to their validity never arise. Since schemas direct searches for information, it is likely that the information uncovered will reinforce those schemas. In addition, because schemas represent general knowledge, "no single example fits the schema perfectly, but most fit well enough" (Fiske & Taylor, 1984: 171). While schemas emerge to facilitate making sense of the world, they can also restrict individuals' perception and understanding of features that threaten the validity of those schemas or operate outside their world-view (Krefting & Frost, 1985).

One implication of members using a finite set of constructs to interpret fundamentally new programmes may be their failure to adequately comprehend the new initiative. Consequently, they continue to act in ways that are consistent with what they comprehend and find attractive. In personal construct theory, a construct has a range of convenience where the individual can apply it with maximal meaning. Outside that range, the construct can be applied only with great difficulty, if at all, in the absence of functions that relate the existing with the new. In this sense, transformational change programmes in organisations may introduce concepts that have little meaning to organisational members because the concepts are not part of their existing organisational identity schemas. The findings of the university study indicated that unless employees' organisational identity schemas have been changed by establishing cognitive links between new corporate concepts and their core identity constructs, their level of understanding is likely to be impaired and hinder their engagement into the implementation of the new initiative. This finding has further implications for the conceptualisation of organisational change as episodic which will be further discussed in Chapter Six. However, successful application of a construct to a new domain, such as applying a marketing construct to a manufacturing focused organisation may be difficult if these domains evoke different schemas (Brown & Starkey, 1994).

Finally, the discussion so far indicates that the construct of perceived organisational identity is perceived as a set of beliefs about that which is enduring, unique and attractive about the organisation and is built on deeply ingrained assumptions may provide an inertial barrier hindering the understanding of transformational change. To understand fully a radical change, the new constructs that compose the change must be accepted by those charged with implementing it, that is they must be incorporated into employees'
schemas (Barr, Stimpert, & Huff, 1992), altering in this way their existing system of meaning.

3.2.8. Summary

Although perceived OIs are inherently self-fulfilling and may ultimately produce a closed system, it is not being advocated that major change of the OI cognitive schemas demanded by episodic transformational changes is necessary desirable. Since a collective identity provides a sense of coherence and meaning, and place one in a wider social context, the cost of changing an OI may be intolerable for organisational members. The psychological fallout of such identity shifts is apparent in Etzioni’s (1975) normative organisations. For example, the growth of for-profit hospitals has been interpreted by many as an identity shift from “providing quality healthcare” to “providing profitable healthcare”, touching off very heated debates about the very meaning of healthcare and the raison d’etre of healthcare workers (Schiller, 1995: 81).

Although transformational organisational change should not be made lightly, the need for change is often very real. As stated, OIs are in a constant state of becoming. In this sense, organisations must keep a fine balance between reinforcing members’ perceptions of the OI and transforming them. However, much of the literature on organisational transformation and learning can be interpreted as a call to institutionalise OIs that welcome rather than resist some change (Fiol, 1991). The literature, however, has not clearly established an explicit link between organisational identity and change mainly because of the following two shortcomings. First, it can be argued that both researchers and practitioners alike do not have an adequate conceptual understanding and philosophical perspective of identity change supportive of the thinking found in dynamic models of change (Tushman & Romanelli, 1985). Second, the literature so far ignores the processes by which identity becomes mutable, especially because of its close interrelationship with image. These issues will now each be addressed in turn.

3.3. THE LOGIC OF IDENTITY AND CHANGE

Change is a phenomenon of becoming where something appears to become, or turn into, something else, where the ‘something else’ is seen as a result or outcome (Horn, 1983; Kanter, Stein, & Jick, 1992; Smith, 1984). From this perspective, change involves two interrelated elements. The first is identity or what the something is. The second is the change process, which we observe as the movement of the original something from its
starting state or condition in time and space, to another state or condition in time and
space. The study of the logic of change is the study of the first something, (S), the
resulting something, (R), and the relationship(s) between them, as shown in
Figure 1. Before the main logics of identity and change are addressed it is necessary to
refer briefly to the notion of logic.

Figure 1. Basic Change Model

\[ S \text{ (something)} \rightarrow \text{Change} \rightarrow \text{R (result)} \]

Logics or points of view, refer to the "underlying assumptions, deeply held, often
unexamined, which form a framework within which reasoning takes place" (Horn, 1983:
1). Logics\(^{11}\) determine to some degree how and what we perceive in the outside world, our
models of the world, and how we think about ourselves providing the context in which the
content of thinking and feeling occurs. Moreover, logics are fundamental and coherent
sets of organising principles that denote unquestioned and unexamined assumptions about
the nature of reality (Morgan, 1986). In this sense, logic provides people a way of thinking
and talking about change as we make sense of what we see within a particular logic
(Weick, 1979). Below, three main logics of identity and change will be explored.

Oscar Ichazo (1976, 1982) has presented a basic analysis of three fundamental logics or
points of view which clarify current thinking about the nature of identity and change. As
presented here, formal logic focuses exclusively on identity and does not address issues of
change. The logic of dialectics and trialectics however, address both identity and change
and, thus have been said to be more complete logics of change (Horn, 1983).

3.3.1. A ‘Logic of Identity and Permanence’

Formal logic, which refers to Aristotelian reasoning and thinking (Ichazo, 1982), focuses
on identity and permanence (i.e. the determination of what something ‘is’ or ‘is not’). The
first axiom of formal logic declares that a thing is equal to itself suggesting that identity is
a fixed position that is stable, enduring and permanent (Ford & Ford, 1994; Ichazo, 1976;
Lebeck & Voorhees, 1984). This means that the essence of an entity remains relatively fixed or permanent. In this sense, understanding organisations requires search for their essential and unchanging characteristics and identities.

The second axiom of formal logic declares the boundaries of an entity, its separation from its surroundings (Horn, 1983). That is, a thing cannot be both itself (‘A’) and something else (‘Not-A’). Because to differentiate between or among things is to say something is ‘A’ and that something else is ‘Not-A’, Smith (1984) contended that ‘Not’ is the primary differentiation boundary. The major implication of this axiom is that something can never change into something else.

Formal logic is a logic of identity providing for the identification of things, declaring that an entity is itself exclusively, distinct from everything else, and it cannot be anything else. Something is either ‘A’ or ‘Not-A’, but it is not both or something in between (Lebeck & Voorhees, 1984). Organisations, in this sense, can be thus described as aggressive or passive, centralised or decentralised (Bedeian & Zammuto, 1992); and leaders who are transformational or transactional. There is no alteration in composition, form, or location that will allow ‘A’ to become ‘Not-A’. However, because the essence of change is for a thing to become other than itself (Horn, 1983) the apparent existence of change is a paradox in formal logic. Hegel dealt with this apparent paradox with his dialectical reasoning.

3.3.2. A ‘Logic of Contradiction and Change’

Whereas formal logic emphasises identity and permanence, dialectics emphasise contradiction and change (Horn, 1983; Lebeck & Voorhees, 1984). The essential element of this paradigm is that change comes out of the struggle of inherently contradictory opposites and views interpreting change in terms of increases or decreases of quantity (D’Andrade & Johnson, 1983). This definition follows that of Boulding’s (1981: 253) who argues that “the dialectical processes involve conflict or struggle”. If something, (S), changes to a result, (R), dialectics sees change as shown in Figure 2.

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11 Logics denote to paradigms (Kuhn, 1970), frames (Bartunek, 1989), interpretative schemas (Ranson, Hinings, & Greenwood, 1980), world-views (Lincoln, 1983; Schwartz & Ogilvy, 1979), or deep structures (Gersick, 1991).
Dialectics arises around the axioms that quantititative change produces qualitative change, which in turn results from the inevitable contradiction or conflict between opposing forces and advanced continuously without limits (Horn, 1983). Thus, dialectics sees an infinite sequence of change. This relationship between quantity and quality could be evidenced in organisational growth phases, whereby gradual increases or decreases in size and age (i.e. quantity) of an organisation bring about sudden revolutions in management strategies and structures (i.e. quality) thereby giving rise to new organisational forms. In this sense, it is supportive of episodic transformational change (e.g., Gersick, 1991). However, there is an absence of the recognition of limits in dialectics which puts no limits on the possible increases in quantity required for a shift in quality to occur (Horn, 1983). Consequently, the failure to obtain a desired qualitative outcome is understood as evidence of an insufficient increase in quantity, prompting a call for ‘more’, assuming that increases in quantity produce qualitative shifts. Moreover, it is implied that doing more/less of something (i.e. change in quantity) will produce something else that is better (i.e. change in quality).

Furthermore, change occurs in dialectics because of its assumption that in all things, phenomena and processes, there are internal contradictory aspects and tendencies (both ‘A’ and ‘Not-A’) which are in a conflict situation allowing for things to be ‘both/and’. In this sense, the source of change is the struggle generated by these internal contradictory or antagonistic opposites (Ford & Backoff, 1988) and change becomes a self-movement creating a synthesis. In organisations, new practices develop (e.g., delegation) which are incompatible with existing practices (e.g., centralised decision-making) thereby threatening an organisation’s character and pushing it beyond its own limits into a new form. However, although external forces, such as changes in the environment, may appear to cause the change, for example an alteration in structure, it is the interplay of internal contradictions that brings about the change. In the absence of these internal contradictions,
the same external forces would have no consequences explaining why some organisations respond to environmental shifts and others don’t. However, the axiom that the potential for change is generated by the irreconcilable conflict of opposites can be criticised by noting that things which momentarily appear in conflict may, in time, be seen to have been operating cooperatively.

Finally, according to dialectics negation is the operating mechanism by which contradiction causes change. The relative power of an antithesis (‘Not-A’) may mobilise an organisational entity to a sufficient degree to challenge the current thesis or status of affairs and set the stage for producing a synthesis. So, an entity subscribing to a thesis (‘A’) may be challenged to an opposing entity with an antithesis (‘Not-A’) and the resolution of the conflict produces a synthesis, something qualitatively different (which is ‘Not Not-A’) (D’Andrade & Johnson, 1983). Over time, this synthesis can become the new thesis as the dialectical process continues (Wilber, 1986). By its nature this synthesis is a novel construction and does not mean simple destruction and replacement. In this sense, negation is progressive since the previous stage is like a foundation. Thus, negation continually builds upward and qualitative changes are only advances, never regressions (D’Andrade & Johnson, 1983).

3.3.3. A ‘Logic of Attraction and Change’

Although dialectics provides an understanding for the basis of change, it has been criticised for its failure to place any limits on change, for assuming that conflict and opposition is the only generator of change (March, 1981), and for ignoring the possibility of regression (Horn, 1983). In response to these criticisms, Ichazo (1982) developed a third logic – trialectics. Trialectics is a system of thought which harnesses the permanence of formal logic and the endless change of dialectics into a logic of attraction (Horn, 1983; Lebeck & Voorhees, 1984).

Fundamental to trialectics is the notion that all is process and change (Horn, 1983). Things, such as people, organisations and ideas, are all names given to abstractions of what are identifiable and relatively constant patterns of transformation (Bohn, 1980; Ford & Ford, 1994). So, what appears as relatively static, and permanent is in fact identifiable states of an ever-changing system at a given time. In the language of trialectics, these identifiable states are termed material manifestation points (MMPs) (see Figure 3) and are the ‘what’ that changes (Horn, 1983). The manifestation points are temporary “resting
points” between mutations in which an equilibrium of energy is made manifest, and it is this equilibrium that gives stability (D’Andrade & Johnson, 1983: 97). MMPs are those observable phenomena we call things or events (Ichazo, 1982) together with all of the thing’s “interrelationships with the rest of the world” (Horn, 1983: 18). Change then is a discrete “jump” or mutation (Horn, 1983: 21) from one manifestation of energy to another when the equilibrium of a point is altered.

Figure 3. Change in Trialectics

![Diagram showing MMPs - Identity composed of dynamics and interactions with equilibrium, disequilibrium, potential mutation, and potential future points.]

When looked at from this perspective, organisations are seen not as static things, but as interdependent networks of individual, group, and interorganisational dynamics and interactions (Wheatley, 1992). Similarly, departments, work groups, individuals, organisation structures, cultures, and so on, can be seen as material manifestations points composed of many different dynamics and interactions. These interactions constitute and structure the different phenomena (Wilden, 1980) and are the basis for socially constructed realities (Berger & Luckmann, 1967), a notion that will be explained later.

3.3.3.1. Equilibrium.

As indicated above, MMPs are relatively stable foci of processes as they are in equilibrium. When the equilibrium defined as an active and balanced circulation and flow of energy between and within MMPs (D’Andrade & Johnson, 1983) is disrupted, the manifestation point (which is temporal stable state of a system) mutates (jumps) to another point. The equilibrium of a point is disrupted when energy either comes in to it or goes out from it (i.e. shifting flows of energy) due to its interactions with other points (Horn, 1983). In this sense, identity could be perceived as a temporary stability of something in relation to the points around it, a location in the process of change (D’Andrade & Johnson, 1983)
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and change as an ongoing phenomenon of disrupted equilibrium. Summarising, instead of the dialectical perspective that ‘everything changes all the time’ (Ford & Ford, 1994) for trialectics, everything is change and the flow that is change is capable of manifestation as identifiable states, objects, or events.

3.3.3.2. Mutation.

For trialectics, any movement between manifestation points occurs in qualitatively different jumps suggesting that changes indicate qualitatively different points and there is no continuity of identity. From this perspective, continuity can be seen as a function of the framing used (Bartunek, 1989). At a macrolevel, there may appear to be no change, but at a microlevel there may be considerable change. Thus, for example, an academic institution may appear to continue as a university, but its internal dynamics and composition may be so unlike any previous version of the university that it is a different institution. The discontinuity of change means that what is here now is absolutely different from what was there before. In this respect, every time the point called UNIS jumps to another point, the prior ‘dies’ or ‘disappears’ and a new one is ‘born’ or ‘appears’. The idea of discontinuous change is not new; it is found in all models of transformational change (e.g., Gersick, 1991) episodic or emergent. It is how they conceptualise the tempo of change that differentiates them.

This discontinuity of change means that what is here now is absolutely different from what was there before. However, according to trialectics, change occurs through pre-established points (Ichazo, 1982:27) and not as in dialectics, through gradual and continuous increase in some quantity, up to some point, before a qualitative change occurs. The concept of pre-established points where change occurs does not mean that all future potential states of an object or condition are already known, or predictable with certain probabilities. Rather, because the points are temporary stabilities, any future states will also be manifestation points, and only some of the existing and potential points will be ‘lawful’ outcomes of the original point (Ford & Backoff, 1988). That is, an organisational change programme may produce a culture shift, but it will not produce bricks and stones.

3.3.3.3. Attractives and Actives.

What disrupts the equilibrium of one manifestation point thereby giving rise to a different point? According to trialectics, this change is produced by attraction. A point which is an
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equilibrium state can jump to another state (positive or negative) when the attraction of that other is sufficient to break the equilibrium. The disruption of the equilibrium can be understood as involving two interdependent components, attractives and actives which define the relationship between points (Horn, 1983).

Attractives are like magnets in that they attract things toward them. But attractives are only attractive to things that are 'active' (i.e. things that are looking for, listening for, or open to what is being offered, made available, or given off by the attractive). A point is considered active in that it acts on, is receptive to, or is susceptible to the attractive point. Food is not attractive to someone who has just eaten, but it is to someone who is hungry; in this case, hunger is active, food is attractive. Things are attractive to people because they are 'active' with respect to these things: there is no attractive without an active. When these active-attractives are in equilibrium there will be no change to a new state. However, when the relationship between the active-attractive forces becomes unbalanced the manifestation point will jump to a new state, that is, to a new point. Finally, the relationship between the points embodies not only the active-attractive (forces), but also the function that uses the active-attractive forces in a way that links existing points and the possible potential future states.

The active-attractive relationship is relevant to situations of organisational change. A manager may believe that employees want to be more informed about work situations (active) and that they will go along with a change (intended result) if sufficient information is offered (attractive) in a well-defined communications system (a function that makes the change’s attractive forces relevant to the employees active forces). As a result, the manager may introduce the planned change along with the communication programme. Employees, however, may prefer more involvement and participation structures to engage themselves seriously in the change (result) instead of increased information which is not active. From the manager’s (possibly dialectical) point of view, this difference might be interpreted as ‘resistance’ on the part of the employees, but from a trialectical point of view it simply reflects differences in what is active in the current point and what is attractive in a desired future point. If the manager is committed to producing the change, then it will be necessary to work with the employees to identify the actives and attractives that relate them to the intended future (Ford & Ford, 1994).

Furthermore, a main assumption of trialectics is that a manifestation point cannot jump to just any other point but to those that are consistent with the laws that govern the universe
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(i.e. a rock cannot become a tree and an idea cannot become a person). Attraction, then, is akin to an unfolding of inherent likelihoods (Bohn, 1980), in which a point will have multiple potential futures at any moment and will be ‘attracted’ to jumping to one or another of them by the changing energy relations between itself and its futures. Attraction is possible because of an assumption that material manifestation points or points of change are pre-established (i.e. there are limits to what can occur), and that these points can be attractive (Horn, 1983). With each new point, what is possible at one moment is different than what was possible before, but there is still a limit to what is possible.

Although the idea of jumps to pre-established points has come under criticism for its failure to allow for the emergence of genuine novelty (Bahm, 1984), it is consistent with developmental frames such as that proposed by Wilber (1986). According to developmental theories, there are natural stages (e.g., from ‘lower’ to ‘higher’) through which systems evolve. By stages is meant that “certain classes of behaviours stably emerge only after certain other classes” (Wilber, Engler, & Brown, 1986: 9), although there are not necessarily fixed numbers of discrete classes. The ‘discovery’ of new stages between existing stages does not alter the fact that one stage is prior to another (Ford & Backoff, 1988). The idea of stages simply implies that a thing cannot mutate (jump) to anywhere from anywhere. Miller and Friesen (1984: 2) appeared to support the notion of attraction to some form of pre-established arrangements or tendencies when they noted that “organisations will gravitate overwhelmingly to particular quantum states that we call configurations”.

Moreover, it should not be concluded from this discussion that a higher point means a better or more positive outcome, or for that matter that attraction is always for a better point (Ford & Ford, 1994). Attraction, therefore, can be to positive and negative states, and jumps from one point to another can have both negative and positive consequences. In summary, change in trialectics is not assumed to be the occurrence of the new, but it is the appearance of what has already been established (D’Andrade & Johnson, 1983: 111) and does not negate what went before.

Summarising, organisational change theorists approach their work with a worldview or paradigm that provides a frame for their understanding and analysis of the world (Horn, 1983). Among these are the three logics presented here and are summarised in Table 2. Each of the logics presents different insights and different limitations (Horn, 1983). Depending on which of these logics is deployed, understandings and explanations for
organisational change will vary. All three logics have value and can contribute to the understanding of change. Formal logic requires a determination of what something is. Dialectics focuses on conflict and competition. Trialectics focuses on attraction and integrity. It is the assertion here that the addition of trialectics to the logics of organisational change will provide a valuable opportunity to expand our understanding and management of change.

Table 2. Logics of Change and their Axioms

<table>
<thead>
<tr>
<th>Logics of Change and Their Axioms</th>
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</thead>
<tbody>
<tr>
<td>Formal Logic</td>
</tr>
<tr>
<td>• Axiom of Identity: A thing is equal to itself; A is A</td>
</tr>
<tr>
<td>• Axiom of Contradiction: A thing cannot be itself and something else; A is not and cannot be not-A</td>
</tr>
<tr>
<td>• Axiom of Excluded Middle: A thing must be one of two mutually exclusive things; A is either A or not-A, but not both</td>
</tr>
<tr>
<td>• Change: Formal logic does not really address change</td>
</tr>
<tr>
<td>Dialectics</td>
</tr>
<tr>
<td>• Axiom of Transformation (Quantity into Quality): A change occurs by the gradual increase or decrease within an entity or phenomena to the point where qualitative change occurs</td>
</tr>
<tr>
<td>• Axiom of Oppositional Struggle: Every entity or phenomena is a unity of contradictory opposites and change results from their internal struggle</td>
</tr>
<tr>
<td>• Axiom of Negation of the Negation: No development can occur without denying its previous form of existence; a change can only advance, it cannot regress</td>
</tr>
<tr>
<td>Trialectics</td>
</tr>
<tr>
<td>• Axiom of Mutation: Change occurs by mutation (jump) from one material manifestation point (MMP) to another</td>
</tr>
<tr>
<td>• Axiom of Circulation: Inside every MMP is the seed of its apparent opposite; this polarity makes the circulation of energy possible and equilibrium depends on the balanced circulation between these opposites</td>
</tr>
<tr>
<td>• Axiom of Attraction: All MMPs are connected by the attraction of energy up or down a hierarchical order</td>
</tr>
</tbody>
</table>

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Having provided a framework for the logic of attraction in change establishing whether and how identity changes, the discussion will now turn to the second issue that underpins the relationship, providing an explicit link between OI and change. This is the issue of the dynamic and reciprocal interrelationship between identity and image which may contribute to a more flexible conceptualisation of identity. It has been argued above that the absence of an explicit link between OI and change may also be due to the perception that organisational identity refers to perceptions of a relatively stable and enduring feature of organisations (Albert & Whetten, 1985).

Gioia and Thomas suggested that “the stricture on the conception of identity as more or less fixed must be softened to include a dimension of fluidity” (1996: 394). This is in line with the view depicting organisational identity as incrementally adaptive (Dutton & Dukerich, 1991) or changeable over the long term (Albert & Whetten, 1985; House et al., 1995). Arguments for the malleability of identity should not, however, be allowed to obscure the fact that organisational identity change is frequently restricted by an organisation’s efforts to preserve its identities (Gagliardi, 1986). If organisations appear to be in continuous states of change, the types of change being observed may not necessarily be those associated with episodic transformational organisational change. That is, they are not necessarily changes that have implications for how employees perceive their organisational identity, but can be superficial and quite possibly transitory. Since the main focus here is on employees’ change of cognitive schemas and the overcoming of cognitive inertia, the processes by which identity becomes mutable will be further explored.

3.4. ORGANISATIONAL IDENTITY AND CHANGE: A DYNAMIC PERSPECTIVE

As already argued in Section 3.2, essential to most theoretical and empirical treatments of organisational identity is a view, specified by Albert and Whetten (1985), defining identity as that which is perceived central, enduring, and distinctive about an organisation’s character. However, the main assertion here (see Section 3.2.4) is that perceived organisational identity, is actually relatively dynamic and that the apparent durability of identity is somewhat illusory. Moreover, it is advocated that the seeming durability of identity is actually contained in the stability of the labels used by organisation members to express who or what they believe the organisation to be. Yet the meaning and the attractiveness associated with identity labels change, indicating that perceived organisational identity is actually quite up for redefinition and revision by organisational
members. In this sense, it could be argued that perceived organisational identity can be adaptive in facilitating transformational organisational change in response to environmental and industry demands (Gioia et al., 2000).

Moreover, identity is a social construction (Gergen & Davies, 1985), deriving from repeated interactions with others (Ashforth & Humphrey, 1995; Ashforth & Mael, 1996; Cooley, 1902). James, as long ago as 1918, noted that people have markedly different identities for different roles and situations. As Weick puts it, "Identities are constituted out of the process of interaction. To shift among interactions is to shift among definitions of the self" (1995: 20). Similarly, Giddens (1991) noted that self-identity presumes reflexive awareness over time (i.e. identity must be actively created and sustained through interactions with others).

Thus, a sense of continuous formulation and preservation of the self through interaction is essential to notions of individual identity which raises questions about the typically assumed durability of identity. This is an important recognition also for organisational identity as it is constructed via similar processes of interaction with outsiders, for instance customers, media, competitors, and regulatory institutions (Ashforth & Mael, 1996; Berg & Gagliardi, 1985; Fombrun, 1996; Gioia, 1998). In this sense, the potential change of identity may arise mainly from its ongoing interrelationship with perceived organisational image (Dutton et al., 1994), which is clearly characterised by a notable degree of fluidity.

Organisational image is seen as a broader concept, which includes notions involving the ways organisational members believe others see the organisation (Dutton & Dukerich, 1991); fabricated, projected pictures aimed at various constituencies (Bernstein, 1984); and the public’s perception of a given organisation (Berg, 1985). In this thesis, the argument is that there is a close reciprocal relationship between organisational identity and various forms of image, a relationship that augurs for some reconsideration of the bases for the normally accepted conception of identity. Here it is further argued that this reconsideration is important, because the consequences of adhering to the now taken-for-granted conception have implications not only for our ways of thinking about organisations and their members, but especially for the ways in which we think about how organisations change. In arguing this case an overview of multiple forms of organisational image is offered next followed by a description of the interrelationships between identity and image. A depiction of the processes by which perceived organisational identity
becomes mutable because of its complex interrelationships with perceived image is then provided.

3.4.1. Organisational Image

The discussion of image within the organisational and marketing literature has offered many different conceptualisations and definitional debates. The organisational literature focuses almost exclusively on internal issues related to image, that is, perceptions held or communicated by insiders. Dutton and Dukerich (1991) defined image as the way organisational members believe others see the organisation (although Dutton et al., 1994, appropriately relabelled this particular definition of image construed external image). Another approach to defining image as a product of internal organisational processes was offered by Whetten et al. (1992) who defined image as the way ‘organisational elites’ would like outsiders to see the organisation. Furthermore, Bernstein (1984: 13) argued that image should be defined as “a fabrication of public impression created to appeal to an audience rather than to reproduce reality.”

This orientation highlights top management’s concern that projected images should not be divorced (ideally) from reality and identity. Such a ‘projected image’ could be an expression and a co-ordinated and consistent communication to internal and external audiences of the corporate personality (Olins, 1989). However, it could also take the form of the projection of a desired future image that communicates to insiders and outsiders a vision to be achieved. Projected image, however, might also encompass constructions of public impressions created to appeal to an audience. This implies that image is intentionally manipulable by insiders for the consumption of outsiders.

On the contrary, the marketing literature stresses the external foundation of the image concept (Bromley, 1993) pointing to the different external images held by outsiders. Dichter (as cited in Dowling, 1993: 104) defined image as “the total impression an organisation makes on the minds of people.” In this view, organisational image is defined as a summary of the images held by external constituencies. This definition is related to Fombrun’s (1996) definition of reputation as the collective judgements (by outsiders) of an organisation’s actions and achievements. Reputation can be distinguished from transient impressions concerning ephemeral events in that the concept of reputation implies a more lasting, cumulative, and global assessment rendered over a longer time period.
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The above differing notions and forms of image suggest that image may be conceptualised as a holistic and vivid impression held by an individual or a particular group towards an organisation (Alvesson, 1990) and is a result of sensemaking by the group (Grunig, 1993) and communication by the organisation of a fabricated and projected picture of itself aiming to influence public impression (Barich & Kotler, 1991). However, image is also influenced by the everyday interactions between organisational members and external audiences. Furthermore, the image formed by a particular group within the external audience can be affected by the intentions and influences of a wide range of actors including other groups (Dowling, 1993).

The next section harnesses the notions of image and identity to provide a theoretical description of the processes by which identity and image are interrelated. It is argued then that identity and image form two related parts of a dynamic system of meaning and sensemaking that enables organisational members to establish new values and beliefs and suggests a flexible conceptualisation of identity.

3.4.2. Identity and Image: A Dynamic System of Meaning

Section 3.4 argued for a close interrelationship and mutual interdependence between identity and image. Mead (1934) argues that individuals define themselves and make behavioural decisions relative to the social world by engaging in internalised conversations between self and others (also see Section 3.2). Of particular importance to Mead were the internalised conversations which individuals hold with generalised others: the community or social groups within which the individual is embedded. This is particularly relevant in organisations as employees being simultaneously also members of external groups, and thus sensitised to outsider views of their own organisation, have the tendency to compare their views of their organisation with others’ views of the organisation (Hatch & Schultz, 1997). Similarly, Weick (1979: 67) suggests that social cognition in organisations often involves contriving implicit conversations with “phantom others”. Dutton et al. (1994) have argued that in the organisational context the role of generalised others is played by the members’ perceptions of what others believe of their organisation: members’ construed external image.

Figure 4 describes the interrelationship between identity and construed external image and presents the processes by which construed external image are likely to destabilise and affect the reconstruction of identity. In this view, organisational identity is a self-reflexive
product of the dynamic processes of construed external organisational image (Gioia et al., 2000). Evidence from the university study reported in this thesis will, amongst other things, show that construed external image acted as a destabilising force on identity prompting employees to reconstruct their perceived organisational identities. Perceived organisational identity provides the symbolic material from which organisational images are constructed and with which they can be communicated to internal and external constituencies. Organisational images are then projected outwards and absorbed back into the internal context of meaning by being taken as internal artefacts and used symbolically to infer identity: who we are is reflected in what we are doing and how others interpret who we are and what we are doing (Elsbach & Kramer, 1995; Whetten et al., 1992). As is the case with most process frameworks, however, Figure 4 presents a somewhat simplified and even overly rational depiction of a process that is, in reality, a richer and more complex and tacit process. Within this illustration, the proposed interrelationships between identity and image are presented as well as their effect on the revision of identity.

Figure 4. Interrelationship between Identity and Image

When information from outsiders conveys an unexpected impression (Berg, 1985; Grunig, 1993) or reputation (Fombrun, 1996), it can affect organisational identity when it is perceived as genuine reflection of organisational activity or intent. The information becomes a symbol to be interpreted or rejected. If interpreted, it can affect the organisation’s definition of itself. Organisational members are prompted to compare their identity and image (Dutton & Dukerich, 1991). Besides, who we believe ourselves to be as an organisation is partly based on how others see us (Cooley, 1902; Gergen & Davis, 1985).

Schutz (1970: 320) claimed that “the meaning of an experience is established through interpretation”. Cohen (1985: 17-18) added that “by their very nature symbols permit interpretation and provide scope for interpretative manoeuvre by those who use them”. Organisational members are symbol manipulators, creating as well as discovering meaning as they explore and produce a socially constructed reality to express their self-
images and to contextualise their activity and identity. Moreover Gioia (1986: 55) argues that “when an organisational event or action with symbolic possibility is experienced, it is related to existing knowledge to generate meaning. That is, as a current symbol becomes associated with symbolic networks, understanding occurs... understanding can only occur if new information can in some way be related to what is already known.” Gioia (1986) argued that identity assumptions and values provide the ‘already known’ of interpretation processes which in turn establish meaning (Schutz, 1970; Weick, 1995).

In this sense, feedback from outsiders concerning the impression we are making on them prompts us to look at our own sense of self and to assess the similarity of the two views. Rhetorically, the comparison might be framed in terms of Albert & Whetten’s fundamental self-reflective question, “Who are we as an organisation?” (although it is theoretically more revealing to cast the question as “Who do we think we are?” or even “Who do we think we should be?”), and the parallel other-reflective questions, “Who do they think we are” and “Who do they think we should be” (see Dutton & Dukerich, 1991, for an illustration).

When organisational members perceive that there is an important difference between the two organisational perceptions (i.e. the way we see ourselves and the way others see us) they may choose to change in one of the following ways: (1) change the way we see ourselves (i.e. change aspects of our identity) or (2) attempt to change the way others perceive us (i.e. change others’ external impression/reputation). If the discrepancy is pronounced and consequential, it can suggest the need to reevaluate and change aspects of identity. Because direct interventions or exhortations to members to alter their conceptions of the organisation are unlikely to be effective (because of the self-fulfilling character of identity), a viable alternative is the projection of an attractive vision in the form of a desired future image as a symbol to a hoped-for future identity. Such desired future images could serve to ‘pull’ identity into subsequent alignment (Gioia & Thomas, 1996) as symbolic images have an influence on identity assumptions. A public declaration of that future image also can signal to outsiders that the organisation is changing. Thus, the projection of a compelling future image (acting as a symbol) can directly affect both perceived organisational identity and construed external image, as well as external perceptions of the organisation.

The influence of symbolic images on identity assumptions has been the central theme of the hermeneutic school of interpretation theory, where it is called the hermeneutic circle.
According to Wilson (1987: 385), the hermeneutic circle "involves successive revisions of interpretations of social phenomena as each new level of understanding calls for revision of the basis on which that understanding is founded". The hermeneutic perspective suggests that interpretation moves us back and forth between the already known (basic assumptions) and the possibility of new understandings (inherent, but often dormant, in symbols). The possibility for revision of meaning exists throughout this cycle. Thus, there is potential for two results of interpretation: altered understanding of symbolic meaning and revisions to identity assumptions. Interpretation involves countless engagements of the hermeneutic circle. Some of this interpretation reflects existing identity assumptions, but some of it revises assumptions by establishing new meaning within the core. In the present dynamic perspective, interpretation reconstructs symbolic images (i.e. projected images which are received, given their own interpretations by other constituencies, and fed back to the organisation) and revises basic assumptions in terms of both current experience and preestablished identity assumptions (see also Fiol & Kovoor-Misra, 1997).

The above discussion indicates that organisational identity is not solely an internally determined concept. Identity involves interactions and interrelationships between insiders and outsiders and, perhaps especially, insider perceptions of outsider impressions. Construed external image, thus, is key to the process of initiating changes in identity. It represents organisation members' interpretation of the feedback received from outsiders regarding the organisation's fulfilment of expectations. It also represents the medium through which members determine how outsiders perceive the organisation, thus affording a benchmark against which they can compare their own sense of the organisation. In this way, construed external image acts as the primary concept linking organisational self-definition through self-reflection with self-definition through other-reflection (Gioia et al., 2000) In this sense, the interrelationships between identity and image create the likelihood for a mutable identity.

Finally, due to its interrelationships with image, it can be argued that an organisation's identity exists and manifests itself on several levels similar to the levels identified by research on organisational culture (Schein, 1985). At its deepest taken-for-granted level, an organisational identity is a set of beliefs and basic assumptions. At the next level, values are organisational principles, goals and standards considered to have intrinsic worth. Then an organisational identity can be conceptualised as a set of images and symbols through which the beliefs and values are expressed and shaped. In addition,
physical artefacts and overt behaviours are also related to identity; they are the most visible, but they are not directly interpretable as identity-defining or identity-expressing elements (Schein, 1985). Based on this framework, it is argued that the different levels of organisational identity can be captured by the divergent definitions of organisational and corporate identity and image. In this mode, it is argued that the notion of identity in organisations is more useful when it is combined with ideas drawn from symbolic (Alvesson, 1987; Alvesson & Berg, 1992; Berger & Luckman, 1967; Eisenberg & Riley, 1988; Schutz, 1970; Turner, 1986) or even artefactual perspectives (Balmer, 1998; Olins, 1995).

In summary, a dynamic perspective on identity suggests that interpretation contextualises current symbolisation experiences by evoking a broader identity frame as a reference point for constructing an acceptable meaning. Meanwhile, identity assumptions exposed during the process of interpretation are opened to the influence of new symbols. In this way, the moment of interpretation makes it possible (but not necessary) for identity to absorb new content into its core. From this perspective, interpretation maintains or challenges basic assumptions and reconstructs the meaning of symbols via feedback from the same interpretative move (as explained by the hermeneutic circle). However, one question still remains: which are the processes that influence which new symbols and values will be incorporated into the identity, creating thus a basis for identity change? This final issue will be tackled next.

3.5. IDENTITY PROCESS THEORY AND CHANGE

In the previous sections evidence was provided for the potential and the likelihood of a mutable organisational identity mainly through the interrelationship between identity and image. A dynamic approach to identity was developed to make explicit the mutable character of identity and the possibility of identity to absorb newly symbolised content into its core. The notion of a mutable identity is especially important in the case of transformational organisational changes which require organisational members’ cognitive reorientations in order to understand and support the change (see Section 2.3.8). A transformational change may mean a whole new belief system and moral code that is designed to influence members as well as moving away from the remit of influence of the previous ideology. Equally, it means that an employee is faced with fluctuating information on the prospective content that needs to be absorbed and assimilated into its core identity. Any movement of the organisation’s core characteristics will require the
individual to process potential new contents and values for identity. However, a final question needs to be answered: what are the processes which establish the dynamic relationship between components of identity and determine which of the potential contents will be absorbed into the core identity structure?

Breakwell’s Identity Process Theory provides a basis for understanding the dynamic relationships between components of identity, potential and present. The theory also provides the basis for understanding the effects on employees’ identity of the transformational organisational change. Identity Process Theory (IPT) was developed to explain what happens when external changes threaten an individual’s identity. The basic theory, put forward by Breakwell (1986; 1988; 1992) describes how an individual’s identity is composed of two distinct but related sets of dimensions, the content dimension and the evaluative dimension. Breakwell traces her derivation of these dimensions back to James, Freud and Mead. The content dimension contains information about the individual, including behavioural, physical, psychological and life-historical aspects and, importantly, also including group membership and category identifications. In the same sense it could be argued that it also contains organisational memberships and identifications (Ashforth & Mael, 1989). The value plane of the identity structure contains the current evaluation of each of the content dimensions or items. These evaluations change over time because of changes in the individual or in the wider social or organisational context. As in the more general cognitive dimensions described in Kelly’s (1955) Personal Construct Psychology, the content plane is itself structured, so that some aspects are more central than others, some are superordinate to others and vice versa, and this structure changes over time and circumstances. Thus, identity is essentially dynamic rather than fixed.

In this structure of identity, the content and value planes are ‘filled’ by two processes which Breakwell claims are universal (i.e. not culturally dependent): assimilation-accommodation and evaluation. Assimilation-accommodation is a “two-pronged process” (Breakwell, 1988: 193), closely related to the cognitive processes of assimilation and accommodation described by Piaget as underlying the cognitive development of children. Assimilation is the absorption of new information into pre-existing identity structure; accommodation is adjustment of the identity structure to include the new information.
Thus, unlike Piagetian assimilation and accommodation, these two are seen to operate in tandem in terms of the development of identity. Moreover, Breakwell makes it clear that these are active, motivated processes rather than a mechanical addition of facts; the dual process “operates as an editor and censor at the same time as it records events” (Breakwell, 1988: 193). Similarly, the continuous process of evaluation of the identity elements (the content plane) is purposive and motivated in order to achieve a positive outcome for the self.

The processes do not operate independently of each other. They interact and act simultaneously to change the content and value dimensions of identity. The process of evaluation will influence what is assimilated and the form of accommodation. However, the processes of assimilation and accommodation will establish the values incorporated into identity and will, consequently, erect the criteria of worth against which evaluation must take place. The interplay of both processes across time will produce the content and value dimensions of identity. It is not inevitable that the processes of assimilation-accommodation and evaluation will actually lead to changes in identity structure but they will be required into action, regardless. Four basic principles guide the assimilation-accommodation and evaluation processes in order to achieve the desirable outcomes.

These four motivational (or ‘desirable end-states’) principles are: distinctiveness, self-esteem, self-efficacy, and continuity. If a threat to identity occurs, behaviour or cognitive processes are adjusted in order to maintain or increase the individual’s sense of distinctiveness, self-esteem, self-efficacy or continuity, as a means of dealing with the threat. It is important to emphasise that Breakwell has specifically stated that this list of identity principles is neither exhaustive nor universally (cross-culturally) applicable (in contrast to the identity processes of assimilation-accommodation and evaluation). The principles are rather “reifications of what society regards as acceptable end-states for identity” (Breakwell, 1987: 107). The four principles on which she focuses include the key factors for which there is some sizeable body of evidence from within our culture.

Breakwell’s (1986) earlier descriptions of the theory included only three principles, with self-efficacy being added in the 1992 paper.

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12 A threat to identity occurs when the processes of assimilation-accommodation and evaluation, which will be described below, are unable, for some reason, to comply with the principles of continuity, distinctiveness, efficacy and self-esteem. The origin of a threat can be originated externally when a change in the social context (in our case organisational context) calls for identity changes incompatible with any of the three principles.
Evidence for the principle of distinctiveness derives in part from studies of intergroup processes. Theories of Social Identity (Tajfel, 1978) and social categorisation (Turner, 1987) emphasise that intergroup comparisons often involve emphasising the distinctions between one's own group and those of other people. Breakwell (1988) cites work by Snyder and Fromkin (1980) and Maslow (1954) which suggest that interpersonal comparisons are used in a similar way to establish personal distinctiveness. There have, however, been studies on distinctiveness outside the context of groups. For example, the positive evaluation of scarce experiences (Fromkin, 1970), the increased recollection of information which distinguishes an individual from other people (Leyens, Yzerbyt, & Rogier, 1997) and the negative effect on mood of the belief that one is very similar to other people (Fromkin, 1972). The distinctiveness principle has been the subject of much questioning regarding its cultural specificity (e.g., Breakwell, 1987; Triandis, 1995).

Moreover, Breakwell (1987; 1993) has pointed out that there appears to be a tendency to attempt to achieve moderate rather than extreme levels of distinctiveness (e.g., Snyder & Fromkin, 1980), such that distinctiveness and evaluation have an inverted U-shaped relationship. Breakwell (1988) also points out that an individual's identity may include, as valued aspects of self, both group distinctiveness and individual distinctiveness. Brewer (1991) suggests that this could, at least in part, explain the curvilinear relationship between distinctiveness and evaluation, where the optimal level of distinctiveness represents a balance between individual and collective distinctiveness. Another point is made by Codol (1984), i.e. that the distinctiveness must be socially recognised in order to be relevant to identity. Individuals must project a sense of distinctiveness to others, rather than simply develop and value it within themselves (Vignoles, Chrysochoou & Breakwell, 2000). Evidence from the university study reported in this thesis will, amongst other things, contribute to the ongoing discussion about the exact nature and generality of the distinctiveness principle.

Self-esteem has been recognised as a key psychological principle since the early days of psychology. William McDougall (1932), in the "Outline of Psychology" referred to the importance of the "self-regarding sentiment" (quoted in Breakwell, 1987: 305). There is by now a wide range of empirical studies supporting the central role of self-esteem in identity. A number of studies have also found that coping reactions along the lines suggested by IPT are elicited when self-esteem is threatened (e.g., Pyszczynski, Greenberg, & Solomon, 1997; Steele, 1988).
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The principle of self-efficacy, "the wish to feel competent and in control of one's life", is, as Breakwell (1988: 194) points out, closely related to self-esteem. A number of studies have focused on the deleterious effect on self of the loss of self-efficacy, including severe depression (Seligman, 1975), whereas feelings of self-efficacy are related to feelings of well-being (Bandura, 1982). The important point is that it is the person's subjective feelings of self-efficacy which are relevant here, rather than any objective measure. Langer (1975), for example, found that people claim self-efficacy to explain outcomes which are actually the result of chance processes. Thus, in terms of the effectiveness of dealing with threats to identity, it is an individual's self-perception of efficacy which is important. This point has relevance in the context of the university study, as will be discussed in Chapter Six.

Continuity, similarly, is seen by Breakwell as relating to subjective, self-perceived continuity "across time and situation" (Breakwell, 1986: 24) and she distinguishes this from consistency, stating that "there can be continuity in inconsistency" (Breakwell, 1988: 194). Continuity involves not the complete absence of change but some connection between the past, the present and the future within identity. The university in-depth data supports this point which is addressed in Chapter Six. Absence of continuity is usually experienced negatively (Rosenberg, 1986) and Breakwell (1986) reports on people's efforts to maintain feelings of continuity in the face of serious life events which disrupt continuity, such as unemployment or bereavement.

In the case of transformational organisational events and changes, they occur independently of the particular individuals but individuals' identity is subject to the effects of such change. In the case of transformational change, employees move within the matrix of organisational context, structure and process. The employees' move within this matrix because they are members of an organisation which moves its position. The act of employees who apparently initiate movement from one context to another is explained in terms of the search for self-esteem or a positively valued identity (Tajfel, 1978). The implication is that the process of evaluation has led to an unsatisfactory result, that is, an abrogation of one of the guiding principles of the identity processes; the process of assimilation-accommodation is then set into motion to incorporate elements into identity which will result in a more positive self-regard or to eject those which are deflating self-esteem. However, it will be argued in Chapter Six that it is not only self-esteem which motivates and guides identity processes but that distinctiveness, continuity and self-
efficacy must also be considered. In this sense, it is implied that organisational identity resides in psychological processes. Organisational identity is created and changed by assimilation-accommodation and evaluation. The actual content and the actual value of organisational identity are acknowledged to be a dynamic product of the interaction between the employee's cognitive resources and the social-organisational context.

There are other aspects of IPT (such as categorisation of the different types of threat and the corresponding coping mechanisms which will be employed) which are not of direct relevance to this thesis. However, Chapter Six discusses some of the coping mechanisms organisational members use in response to organisational identity threats. Breakwell does, however, raise three issues which are relevant here. The first is the question of the relative salience of the four principles in controlling identity processes, suggesting that "in all probability the salience-hierarchy will be situation-specific and temporally relative" (1988: 195). Chapter Six will explore the question of the relative salience of each identity principle during a situation of major change for organisational members.

The second issue by Breakwell is the probable historical specificity of the identity principles (Breakwell, 1988). Although it could be argued that the university study did not extend over a time period long enough for changes in the broader culture to be discernible, the relative major change in the organisational circumstances as a result of the transformational strategic change does provide an example of the potential for organisational change. If changes in the identity principles are found to occur for these organisational respondents over the duration of the strategic change, this would confirm Breakwell's view that the principles guiding the operation of these (identity) processes must be acknowledged to be both culturally and temporally specific. They are, after all, reifications of what the organisation regards as acceptable endstates for identity; when the organisation changes, they will change.

Thirdly, Breakwell (1986) specifically discusses the likely identity effects of being in a new social context, structure or process. This discussion is especially relevant to the present thesis as it deals with new organisational contexts, structures and processes. She considers that such a change may alter the relative importance to the individual of various aspects of their identity, particularly those aspects which were supported by the previous social (and by extension organisational) context. This may result in the previous context becoming either more important (if the person values the aspects of identity which the organisational context supported) or irrelevant (because the related aspects of identity are
no longer salient). In addition, the new organisational context may itself act as a threat to identity, if it presents new content or causes a change in the evaluations composing the previous identity.

Finally, the interest of the present thesis on identity is because of its interrelationship with action. Action is the social expression of identity. This is not to deny the importance of situational constraints and stimuli in determining behaviour. It is simply to reaffirm that these situational determinants gain their meaning only through interpretation within the individual’s system of beliefs and values. Their implications for purposive action rather than unintended behaviour are, therefore, mediated by identity. Thus, the content and value dimensions of identity specify appropriate action. Moreover, the identity processes, guided by the principles which dominate their operation, will also direct action. In search of continuity, distinctiveness, efficacy and self-esteem, the individual seeks to move across positions within the social matrix. In this way, action is precipitated by the requirements of identity.

However, it would clearly be an error to represent identity as in some way the prime or ultimate determiner of action. Identity is itself a product of social interaction. It is not a simple product in that it has the power to moderate its own development through the principled operation of assimilation-accommodation and evaluation. Yet it is totally dependent upon that interaction. Identity and action are dialectically related (Breakwell, 1986). In one moment in time, identity may motivate action but the direction of causality is more apparent than real. In the next moment in time, action could generate identity changes.

Summarising, IPT can be seen as taking into account the organisational environment, since the organisation can contribute to the maintenance of the principles of distinctiveness, self-esteem, efficacy and continuity. It provides a framework for understanding how changes in the organisational environment will effect organisational members’ identity. It also provides a framework for conceptualising the dynamic relationship between components of identity, current and prospective, which will ultimately determine identity change. Given that the new organisational paradigm appears to be evaluated differently and affords different behavioural patterns, organisational members are likely to assimilate and accommodate this new information and feedback to their organisational identity. Assimilation-accommodation and evaluation are guided by the identity principles which are the motivational basis of identity and define whether the
new information and provisional identity content provide a desirable end-state for the structure of identity. Whether the new information and content will comply or not with the main identity principles that guide assimilation-accommodations and evaluation will determine identity change and members’ interpretations and action toward change.

3.6. SUMMARY AND RESEARCH QUESTIONS

Chapter Two highlighted some of the principal areas of contention and consensus within the transformational change research field. In the words of Van de Ven and Poole (1995: 510) “it is of a great challenge to find ways of explaining, understanding and analysing how organisations change”. Empirical evidence has lent support to the proposition that organisations change orientation via episodic transformational events (e.g., Amburgey, Kelly, & Barnett, 1993; Gersick, 1991; Greenwood & Hinings, 1988; Miller & Friesen, 1980; Tushman & Romanelli, 1985) exhibiting two different modes of behaviour – adaptive and inertial – at different times.

However, numerous researchers (Barnett & Carroll, 1995; Dunphy, 1996; Romanelli & Tushman, 1994; Van de Ven & Poole, 1995; Weick & Quinn, 1999) and the literature review undertaken in Chapter Two made clear that the internal dynamics and processes within the organisation that create and shape episodic transformational change are relatively poorly understood. As pointed out in Chapter Two, at the core of this problem is the need for further exploratory research efforts in the areas of human processes by which organisations reach stability and change which call for the adoption of a social-psychological perspective in the exploration of organisational change. This perspective assumes that organisations and organisational change are enacted and that the ongoing sensemaking of organisational members constitutes their existence. Transformational change is seen thus as an ongoing process enacted by organisational members trying to make sense of the organisational world. As a result, possible and plausible interpretations and categorisation labels of the change will be developed which will effect employees’ responses to organisational changes. This observation renders necessary the exploration not only of the sensemaking processes by also of the content of employees’ interpretations of transformational change.

The purpose of this thesis then is to develop a conceptual framework for increasing our understanding of episodic transformational change. In order to accomplish this, a sensemaking perspective (e.g., Weick, 1995) is developed, based on the assumption that
the present knowledge on organisational change can be enhanced if there is a focus on the way employees create meaning, make sense of and legitimate their organisational life. A further elaboration of the sensemaking perspective is especially relevant in this context, because when an organisation is confronting transformational change, meanings are exposed to reconstruction. Therefore, the discussion so far leads to the formulation of the following research questions:

1: How do employees make sense of transformational organisational change introduced radically in their organisation?

2: What are the main categories employees use when they interpret change? If employees use different categorisation labels for different change instances, what are the attributes that characterise these distinct categories?

3: How do employees produce these categorisation labels? What are the sensemaking processes that influence the labelling and categorisation of change? What are the sensemaking processes that provide meaning to the interpretation labels?

Finally, as Ring and Van de Ven (1989) proposed and according to the argument of Chapter Two, sensemaking processes derive from the need within individuals to have a sense of identity. If confirmation of one's own enacted 'self' is not realised, however, sensemaking processes recur and a reenactment of self follows. Organisational members come to appreciate the nature and purpose of a transaction with others (Weick, 1995) by reshaping or clarifying their perceptions of their organisation's identity. In the case of transformational change, employees' perceptions of the organisation are disconfirmed rendering necessary either a second-order change (identity change) or a confirmation of identity. Although Ring and Van de Ven (1989) are more focused on confirmation than on identity change as the desired outcome, the present thesis will attempt an exploration of the sensemaking processes that effect in both identity change and confirmation. In this sense, it will provide evidence about the sensemaking processes that contribute to overcoming cognitive inertia. Therefore, the following research hypothesis could be formulated:

4: The sensemaking process will provide the means for investigating identity changes.

Summarising the two chapters of the literature review have introduced some of the concepts and ideas that will be taken up in more detail in subsequent chapters. Chapter
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Five will explore employees' interpretations of transformational organisational change introduced in their organisation and Chapter Six will discuss the sensemaking processes that influence the interpretation, labelling and categorisation of change. These findings will be derived from a qualitative case study conducted within a university context and will contribute to the formulation of a model of change sensemaking and to the derivation of specific hypotheses. Chapters Seven and Eight then will provide the context for the refinement of the model as well as a test of its transferability in different organisational contexts outside the academia.

Having discussed the theoretical issues underpinning the present investigation, and having formulated the main research questions, the following chapter continues with a description and explanation of the methodological paradigm underlying the present research. This will lead to the selection and explanation of the methods selected for use in this thesis, including potential problems and issues that may arise.
Exploring
4.1. OVERVIEW

As stated in Chapter Three, the aim of this thesis is twofold: 1) to explore employees' interpretations of episodic transformational changes and reorientations in their organisation as seen from a macro level and, 2) to explore the process by which they make sense and construct the meaning and interpretations of these changes. In Chapters Two and Three, it was argued (a) that employees' response, behaviour and action towards change are based on the subjective interpretation and depiction of the situation in which they are embedded, and (b) that the conceptualisation and response of employees toward organisational change are schema-dependent, in the sense that employees' organisational schemas shape their interpretations of the introduced change and their subsequent response and behaviour.

This chapter describes the philosophical framework within which this thesis has been undertaken. A brief exposition of the research philosophy of constructivism and its place within the broader research field will be given. The constructivist ontological (fundamental assumptions about the nature of existence, of reality) and epistemological (assumptions about the nature of knowledge) bases will be explored. This will demonstrate that the methodology (the theory of how methods work) and the methods chosen are internally congruent within the chosen paradigm. Tosey (1993) defines the term paradigm comprehensively, when he says:

"A paradigm is a constellation of beliefs and values and related metaphors, models and practices. A paradigm is an underlying, fundamental worldview, in many ways tacit, so that it leads us to perceive and interpret our world in particular ways without us necessarily being aware of the assumptions we are making" (Tosey, 1993: 17).

The epistemological position underlying any piece of psychological research ought to be explicit since the common assumptions and universally accepted academic paradigms of
the past no longer hold in the social sciences, if indeed there ever has been a single dominant paradigm in psychology. The research design, the definition of the concepts, and the type of evidence being sought are all heavily influenced by the epistemological position adopted by the researcher; it is thus important that this is made explicit. The first section, therefore, concentrates on the epistemological view on which this research is based.

The choice of a multiple case study design used in this thesis will be discussed in some detail in the next section in order to allow the investigation of the change interpretation phenomena and the process of sensemaking in the particular organisational contexts within which they occur. It was argued in Chapter Two that the process of sensemaking of change can only be grasped when it is examined in context. Furthermore, a multiple case study design approach permits analytic generalisation (Yin, 1984) in which a previously developed framework is used as a template with which to compare the empirical results of subsequent case studies. In this sense, it permits the transferability of the same phenomenon under different conditions when two or more cases are shown to support the same theory (Yin, 1984). In this thesis four case studies provided the context in which to examine the phenomenon of employees' interpretation and sensemaking of change. The first case study was qualitative and conducted within a major British university undergoing transformational organisational change. The subsequent three case studies were quantitative and conducted within three different industrial organisations.

The choice of using employees' accounts of the change initiative introduced in their workplace will be discussed in some detail. The research material (i.e. employees' accounts of change instances\(^\text{13}\)) used to examine the phenomenon under investigation was collected in the course of interviews with employees working in three departments of the university under study. The use of open-ended, semi-structured interviewing is also justified in the context of the proposed research design.

4.2. EPISTEMOLOGICAL POSITION AND ITS IMPLICATIONS FOR RESEARCH METHODOLOGY

Smith (1990) suggests that the epistemological position of the researcher is central to a proper understanding of a piece of research as epistemology, methodology and the research questions are inextricably entwined. Historically, academic psychology's

\(^{13}\) Issues that the change programme was planned to tackle.
epistemological position is derived from the natural sciences and is based on the hypothetical-deductive model of knowing (by which causal relationships are tested), with its concomitant rules of objectivity, generalisability, replicability, reliability and various forms of validity (Symon, Cassell, & Dickson, 2000). The usual strategy within this model is experimental manipulation and control of subsets of variables on the basis of prior theory. Quantification is important as the testing of theories is normally carried out on large number of cases to eliminate individual variation; a statistical approach is, therefore, ideal for this. In this model, the emphasis is on replicable hypothesis testing. This is the traditional positivist model of science, which also implicitly assumes that theories are value-free, resulting in pure knowledge and truth.

Such an approach is perhaps appropriate for certain fields within psychology, particularly physiological psychology, yet for a number of other disciplines within psychology, this approach is problematic. This is because psychology, along with other social sciences, now acknowledges the crucial importance of cognition, of individuals’ understandings of their world, in any explanation of social behaviour. It is this idea, termed (social) constructionism and (social) constructivism, which will now be discussed.

4.2.1. The Constructivist Paradigm

Practitioners of the constructivist approach believe that knowledge is actually constructions of reality (Pope & Denicolo, 1986) and that people’s perception of the world is an active process to which they bring to bear their own, and their environment’s, pre-existing understandings of reality. This reality must be seen as a ‘whole picture’ that cannot be understood in isolation from their context. The context needs to include the experience which the observer brings to every new situation in the light of conceptual models built up from past experiences. The research should be conducted with the ‘entity-in-context’ for fullest understanding. Lincoln and Guba (1985) explain this when they say: “Context is crucial in deciding whether or not a finding may have meaning in some other context as well” (Lincoln & Guba, 1985: 38).

What this means in practice is that deliberate freezing out of some of the social contexts or the controlling of variables could impoverish interpretation of the whole social science. As well as the holistic view expressed above, the anthropomorphic model of man would argue that individuals are social beings and self-controlling agents. This belief also reinforces the notion that, “interpretation of personal reports needs to be done within a
social context” (Harre & Secord, 1972: 38). This view has two important implications. First, the phenomenon being studied (since it is a product of both individual and social processes) is likely to be complex, multi-faceted and may contain contradictions and inconsistencies. Second, there are no theory-free observations, data is inevitably selected and coloured by our existing and developing theories. Truth is an elusive concept in this view since meanings “do not merely reflect the world as it exists, but are produced or constructed by persons and within cultural, social and historical relationships” (Henwood & Pidgeon, 1994: 109).

In recognising that social phenomena are constructed from the understandings and meanings that people bring to the social situation, constructivist inquirers would see that such constructions of reality would determine the behaviour adopted (Field & Morse, 1985). This philosophical assumption was encapsulated in Kelly’s (1955) fundamental postulate, “A person’s processes are psychologically channelled by the ways in which they anticipate events” (Bannister & Francella, 1986: 7). Thus, this research assumes that the way the person gives meaning to sense-impressions markedly influences his/her feelings, thoughts and actions. In this thesis, it is assumed in particular that employees’ interpretations of transformational change will affect their responses and actions toward the acceptance and further support of the introduced change.

This thesis adopts a constructivist position in that it sees the ‘reality’ experienced by organisational members as being shaped by the meanings they attribute to their social, cultural and organisational environment (Symon, Cassell, & Dickson, 2000). Social constructivism though, is a reflexive theory in that it must apply also to the researcher and her interpretation of the data. A strong social constructionist approach leads to relativism and the conclusion that no one interpretation has priority, or a closer claim to ‘truth’ than another. Here, a weak constructivist approach is adopted which claims that there are criteria for judging between some competing accounts of a situation, and that rigour, careful attention to the material and repeated self-questioning by the researcher will lead to conclusions which are not only plausible and theoretically useful but whose veracity can be supported by others. Thus, adopting a social constructivist perspective, this thesis is about how employees experience the introduction of transformational organisational change within their organisations. That is, what meanings and interpretations did they develop to understand the introduced organisational change and their processes of sensemaking. The objective is not to build a complete processual description of the
organisational change underpinned by the focal organisations in their strategy, structure, and values, but rather, to use employees' experiences (as construed by them) to inform theoretical development, in particular the issues pertaining to the character of organisational change, the shifting character of organisational identity and image and their role in change interpretation.

4.3. THE CHOICE OF A MULTIPLE CASE STUDY APPROACH

So far organisational research has used different methods to investigate phenomena occurring in the workplace. Survey research has been, for a long time, the most commonly employed method in organisational environments. Administering questionnaires to a large number of employees would permit the possible generalisation of results to a wider population of employees with characteristics similar to those who participated in the sample. Such generalisation has been cited in the literature as “statistical generalisation” (Yin, 1984: 10). By trying to enumerate frequencies and to discover causal links between variables, the focus of the research conducted in this tradition was to predict – and hence to control – organisational phenomena (Buckley, 1967). This approach, which is common in organisational research, is also evident in the study of organisational change. For instance, organisational climate surveys have been used for analysing the role of the change of specific organisational elements in organisational evolution (van Riel, 1995). Likewise, culture surveys have been used extensively for the quantitative assessment of variables that support or resist change (Church, Margiloff & Coruzzi, 1995; Parker & Bradley, 2000; Sleezer & Swanson, 1992).

More recently, there has been a developing interest in the use of case study design to investigate organisational phenomena. This focus has to be seen in relation to the changing emphasis in organisational research on understanding organisational phenomena and processes rather than predicting or controlling them. There are certain characteristics inherent in this form of empirical enquiry which render it suitable for the investigation of particular research phenomena.

First, a case study is appropriate for cases where the research phenomenon should be investigated within its real-life context (Yin, 1984). Coming back to the present thesis, the ways in which employees interpret and make sense of changes in their workplace are real-life events. In Chapter Two, it was argued that the process of change interpretation and

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14 This move parallels the surge of interest in qualitative research in the wider field of the social sciences.
sensemaking can only be grasped when it is examined within the context in which it occurs (e.g., Cornell, 1996; Moran & Brightman, 2000; Mulins & Cummings, 1999; Ruigrok & Achtenhagen, 1999; Tierney, 1999; Van Riel, 1995; Zeitz, 1996). By stressing the holistic examination of a research phenomenon, case study research attempts to describe phenomena in a comprehensive way (Jorgensen, 1989). Such a holistic approach is particularly useful for investigating phenomena occurring in a real-life situation, since these phenomena – unlike the ones generated in experimental settings – are more complex situations and cannot be manipulated. In real-life situations, it is very difficult for the researcher to draw clear boundaries between phenomena and their context (Yin, 1984).

Second, a holistic examination of the phenomenon of the interpretation and sensemaking of change provides an in-depth description and analysis of the research topic (Jorgensen, 1989). This in turn permits a global appreciation of the process of change sensemaking. This point is also related to the fulfilment of the second characteristic of the case study research, that is enabling the researcher to answer 'how' and 'why' questions (Yin, 1984). The focus of the university case study is the investigation of how employees of a particular organisation interpret a transformational change in their organisation’s orientation, as well as how they make sense and derive such interpretations. In general, this characteristic of the case study approach makes it especially relevant to the study of organisational processes (Gummesson, 1991). Following this tradition, the purpose of this thesis is to understand the key aspects of the process of making sense and interpreting change, rather than predicting change perception or controlling subsequent responses in change situations.

The research design framing this thesis is based on multiple cases however, with view to achieving 'analytic generalisation' (Yin, 1984: 31). In other words, the previously developed model of change sensemaking is used as a template with which to compare the empirical results of subsequent case studies. If two or more cases are shown to support the same model, analytic generalisation and transferability may be claimed (Yin, 1984). The evidence from multiple cases is thus often considered as more compelling yielding more robust findings (Herriot & Firestone, 1983). In this thesis, the model of change sensemaking is tested in three other organisations, where the model specifies that the same results should occur (i.e. literal transferability).

This generalisation and transferability logic must be distinguished from the sampling logic commonly used in surveys. According to the sampling logic, a number of respondents (or
subjects) are assumed to ‘represent’ a larger pool of respondents (or subjects), so that data from a smaller number of persons are assumed to represent the data that might have been collected from the entire pool. However, here each case study is a self-contained ‘whole’, in which convergent evidence is sought regarding the facts and conclusions for the case. Each case’s conclusions are then considered to be the information needing to be transferred to other cases. Finally, the number of theoretical transfers considered necessary depends upon the researcher’s sense of the complexity of the realm of external validity. In the case of change sensemaking a serious concern was whether the model derived from an organisation whose employees were not used to strategic reorientation as a form of transformational organisational change would not follow similar process of change with models derived from business organisations whose employees were familiar with the process of strategy and strategic change. For this reason, it was judged necessary to include at least a number of cases that varied in their change histories but where change was perceived to be introduced in an episodic way.

On the other hand, drawing meaningful comparisons and ensuring analytical generalisability of the change sensemaking process requires that the case organisations would need to be to some extent compatible, for example in size and the type of transformational change taking place after long periods of convergence. Here the case organisations of interest were all of around 3000 employees and were all introducing major episodic transformational changes in their orientation, identity and strategy. All organisations were around two years into the process at the point of entry of the research. Again it would be very difficult to transfer findings from an organisation that had decided to implement change, say, a month ago to one that was two years into the process (Swan & Newell, 1998).

The decision to use a multiple case study as a research design also reflects the researcher’s perspective on organisations. According to this perspective, an organisational setting consists of a set of conditions and circumstances which are particular to that work environment, and which can only be grasped by a close examination of that organisation.

4.3.1. Focusing on Organisational Settings as Case Studies – The Paradigm of Organisations as Cultures

Schein (1985) argues that employees’ perceptions and behaviour in their workplace is affected by the norms in use within the organisation, as well as in the various work groups
of that organisation. Organisations comprise formal and informal procedures in terms of rules, expectations, norms and beliefs, which govern the daily activities of their members and serve to achieve organisational goals (Argyris & Schon, 1978). Accordingly, the way that employees interpret change, and their attempts to interpret it, reflect a set of shared assumptions, values and practices in that particular organisational context which are communicated to, and negotiated amongst, the members of the organisation. Such beliefs and behavioural norms may differ from one organisational setting to another, or from one work group of the same organisation to another work group. According to this perspective, organisations are approached as ‘cultures’ (Morgan, 1986).

According to Barley (1983), organisational culture is a sensemaking context which brings predictability to the uncertain. Communicative interactions among organisational members are processes of “enactment of a shared reality” (Morgan, 1986: 37). Organisational life consists of a set of assumptions and expectations about how employees relate to each other, which are reflected in both formal and informal interactions within the organisational setting (Humphreys, Berkeley, & Jovchelovitch, 1996). Such a shared ‘reality’ serves as a means of communication among employees. In this way, employees ‘learn’ to perceive, think and feel about a problem (Dixon, 1992). Issues, such as organisational structure, job descriptions, policies and operating procedures have also an interpretative function, since they enable employees to shape the ongoing organisational ‘reality’, and they make shared action possible (Morgan, 1986). However, organisational assumptions and norms are not fixed entities. Rather, they are continuously negotiated among employees in the course of their daily interaction and some of them may change. According to Giddens (1979), there is a reciprocal relationship between organisational structure and the way in which employees act within this particular organisational structure. Organisations are the medium and outcome of their employees’ actions. They “[...] ‘result’ from human agency, but they are the outcome of action only in so far as they are also involved recursively as the medium of its production” (Giddens, 1979: 95). In other words, while, on the one hand, organisations provide the rules and resources upon which employees draw to act, on the other hand, these rules exist only through being applied and modified in action.

15 In the way it is used here, a ‘work group’ is a collection of employees who are grouped together in order to accomplish a particular task. Organisational groups are defined through the organisational chart and can be divisions, departments or smaller work-teams.
The idea of organisational culture as a shared reality, which is enacted and constantly negotiated by organisational members, renders employees active agents in the process of enactment. As Giddens (1979) postulated, the relationship between properties of the structure of the organisation and the way that employees understand and act within the particular organisational context is reciprocal. Each organisation provides the rules and resources upon which employees draw to act, but the former exist only through being applied and modified in action. Using a similar reasoning, Bartunek (1984) argued that the structural features of an organisation both legitimise and constrain the action of its employees. As a consequence, employees are no longer seen as being ‘passive’ or acted upon by the work environment, since this ‘shared reality’ (or social order) emerges as a result of employees’ continuous negotiation and agreement on “a set of shared descriptions to be used to monitor, control, interpret, and justify their actions” (Hosking & Morley, 1991: 32). These descriptions may change, as circumstances change. In this sense, the process that employees follow when making sense of change situations, can be seen as a process of changing or reproducing a certain social order.

Even though the cultural norms are basically shared by organisational members, organisations are rarely characterised by cultural homogeneity. While there are certain assumptions which are broadly shared by employees and enacted in an array of cultural manifestations (e.g., work-practices, rituals, symbols, jargon) (Garcia & Humphreys, 1995), there are certain other sets of assumptions which are patterned according to conditions particular to different ‘sub-cultures’. These sub-cultures – rather than having clear-cut boundaries – are nested within each other and often overlap. Even though the relationships among sub-cultures are complex, and each employee can belong to more than one sub-culture at the same time, the fact that work groups form distinctive units in an organisation helps towards the creation of a culture differing from that of other work groups. Possible divergence between sub-cultures of an organisation may lead to the creation of different “meaning systems” (Martin, 1992: 18). In this respect, even though employees of one group have assumptions shared by employees of other work groups, they also have

“[..] a somewhat different set of common understandings around which action is organised, and these differences will find expression in the language whose
nuances are peculiar to that group and fully understood only by its members  
(Becker & Geer, 1969: 324).

Hence, the ways in which employees interpret their experiences make sense not only in terms of the wider organisational context, but also in terms of the specific work unit of the organisation to which they belong. The contextual features of negotiating in a particular work group are constructed through the messages and sensemaking activities of the members of this group (Putnam, 1985).

The importance of studying employees' interpretation of change and the process of sensemaking in particular organisational contexts is therefore further supported by the assumption that any given organisation consists of a particular set of assumptions and expectations, which are enacted by its employees. This process, it is argued, is bound to be shaped by the particular organisational, as well as departmental, context within which it is situated. Thus, exploring employees' interpretations and the process of sensemaking in particular organisational contexts that introduced transformational changes after long convergent periods is crucial for a global understanding of the phenomenon under investigation. It is this context which enables employees to make sense of such situations as well as providing them with cognitive norms which guide their interpretations. In this sense, it can be argued that the act of sensemaking is an individually motivated behaviour as well as an organisationally regulated practice enjoying a somewhat homogeneity that cannot be explained by individual whim. Grounded on this proposition then, the objective of the interviews was to elicit employees' accounts of their interpretation and understanding of change in order to observe the way in which they acknowledged the commonality of their understanding while maintaining a belief in their individuality.

Moreover, taking this postulate as a point of departure, a question to be addressed when exploring employees' sensemaking in change situations will be to illustrate how the different aspects of the organisational (as well as departmental) context are portrayed in the change interpretation and sensemaking, and are consequently revealed through the modelling of this process.

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16 This happens because employees may identify themselves as members of different social categories at the same time (e.g., young people, women, white-collar workers etc.) Each of these categories may be a distinct sub-culture within the same organisational context.
4.4. QUALITATIVE DATA

It has already been argued that this thesis is about interpretation and sensemaking, and therefore the events must be connected to concepts which are appropriate to the descriptions of the social reality as described by those in the situation. There are many ways within social science of finding out about people's perceptions, beliefs and values. In constructivist inquiry, with its different methods of data collection the singular characteristic which unites them all is reflected in Kelly's (1955) notion of "If you want to know what is going on for an individual, ask him". This implies that the person in the experience is the only authentic source of knowledge of that person's reality. According to Denzin (1989),

"Persons as selves have experiences, experiences referring here to the individuals meeting, confronting, passing through, and making sense of events in their lives" (Denzin, 1989: 33).

The quantitative approach, so valuable for testing hypotheses within the hypothetical-deductive model is of limited use in the context of the first case study conducted within a major British university. The scope of this study was exploratory the main goal being to investigate employees' interpretations of transformational organisational change and the depiction of the process of sensemaking of change. Rating scales on pre-determined categories would impose the researcher's construal of the world on the employees being studied, rather than letting them speak for themselves. With an increasing focus on meaning, researchers tend to concentrate more on what is said and how an issue is expressed. This has led to an increase in the use of qualitative data, focusing on what people say or write about themselves and their situation. In parallel with this increasing emphasis on 'the word' has been the development of a number of 'qualitative methods' which help the researcher use and interpret qualitative data.

Qualitative methods are thought to address a number of reservations about the uncritical use of quantification in the social sciences such as the problem of inappropriately fixing meanings when these are variable and renegotiable in relation to their context of use, the neglect of the uniqueness and particularity of human experience, and the possibility of forcing internally structured subjectivities into externally imposed objective systems of meaning (Henwood & Pidgeon, 1994). Stiles argues that "numbers offer precision in scientific communication and efficiency of aggregation and manipulation (e.g., standard
indices of central tendency and dispersion, statistical procedures), but their characterisation of persons' experiences is usually far more impoverished than are their words" (1993: 595). Further, variation in meaning and human experience is multidimensional and much is lost when it is simplified into a few dimensions on a rating scale. Stiles points out that simplified narrowly defined scales may offer reliable variation but “they overlook most of the richness of language and of experience, and they can deceive us by pretending the psychological world is much simpler than it is” (1993: 596). Additionally, qualitative methods acknowledge the essential diversity of the field of study whereas quantitative approaches aim to reduce this diversity: “Number is the means by which the many become the summarised few, ... which may well obscure many relevant features of data” (Henwood & Pidgeon, 1994: 99-100). Certain statistical packages (e.g., LISREL and MDS) do aim to deal with complexity but still reduce it rather than, as in the qualitative paradigm, actually focusing on it and recognising its interpretative value. It must not be inferred from this that qualitative methods produce findings, which have no generalisability and which cannot be transferred to other contexts. What it is stating, rather, is that the understanding derived from qualitative approaches of necessity include the whole context and usually acknowledge the complexity of the situation in a way which is not the case with many quantitative approaches. That is, they produce more ‘open-ended’ outcomes in contrast to the more closed, ‘yes/no’ outcomes of many (but not all) quantitative techniques.

It does not follow, however, that quantitative and qualitative approaches are incompatible. For example, Henwood and Pidgeon (1994: 100) warn against viewing quantitative and qualitative paradigms as ‘incommensurable’ as it “would deny the possibility of strengthening research through the use of a principled mixture of methods”. Stratton (1997: 119) sees a continuum between research concluding that “a certain phenomenon exists” and research claiming that “a certain population has a certain probability of a certain characteristic”, both of which he sees as qualitative approaches, since they are based on what is initially qualitative data. This thesis has adopted what it is hoped is the “principled mixture of methods” advocated by Henwood and Pidgeon (1994: 109). Although the major approach adopted in the first case study of this thesis is qualitative analysis, quantitative data and analysis have been used at the subsequent three case studies of the thesis, as described further in Section 4.5 below.
Chapter Four - On the Methodology

4.5. QUANTITATIVE DATA

The weak form of social constructionism adopted by this research does not preclude the use of quantitative methods (Miles & Huberman, 1994; Hammersley, 1996). Here they have been used, for two major purposes. The first is to allow for the possibility of strengthening the research by providing a triangulation of methods (Denzin & Lincoln, 1994: 28; Morse, 1991; Stiles, 1993). The second use of the quantitative approach is to test specific, focused, theoretical research questions and to further refine the model derived from the qualitative case study.

Within the constructivist approach, triangulation is encouraged to aid interpretation of social phenomena from different reflective mirrors. This is usually effected by using different research methods or sources of data to examine the same problem. Denzin and Lincoln (1994: 28) identified four main triangulation models: (1) data triangulation, where a variety of different data sources are used; (2) investigator triangulation, when two or more researchers collect the same data; (3) theory triangulation, the use of different perspectives to make sense of the same data, and (4) methodological triangulation, when there is a mixture of paradigms, that is qualitative and quantitative methods used in the research. Methodological triangulation is the emphasis of this thesis, that is the combination of qualitative and quantitative approaches, of in-depth interviews and survey data.

Triangulation of methods is said to strengthen validity concerns (Morse, 1991; Stiles, 1993). Smith (1996) explains that the term 'triangulation' is derived from navigation and refers to the notion of fixing an object from two independent locations in order to increase the accuracy of the siting. In social science, rather than hoping for an absolutely true reading as in navigation, we would look to a strengthening of claims or to producing a richer, fuller story. The variables of the sensemaking process model in the first quantitative case study data collection stage were all variables for which propositions had been developed from the university case study and moreover for which there were pre-existing theories suggesting that they might be important. In later case studies further variables are added as it becomes clear that these are of theoretical interest (for full details see Chapter Eight).

Finally, consistent with interpretivists it is argued here that knowledge is a social and historical product and that 'facts' come to us laden with theory. The existence and
importance of the subjective, the meaning-making and phenomenological are deemed to be at the centre of social and organisational life. The aim in this thesis is to register and transcend (Miles & Huberman, 1994) these processes by building models to account for a real world that is both bounded and perceptually laden, and to test these models in various disciplines.

4.6. THE USE OF ACCOUNTS FOR THE INVESTIGATION OF THE INTERPRETATION OF TRANSFORMATIONAL ORGANISATIONAL CHANGE

One of the main techniques of revealing the production of social reality is through the exploration of accounts (Harre, 1997). The university case study elicited employees' retrospective accounts (Swan & Newell, 1998) of change instances as the basis for understanding their interpretations and constructing a model on the process of employees' sensemaking of transformational change. Telling stories about events and actions seems to be a universal human activity (Riessman, 1993). Since they are stories about social situations, actions and relationships (Harre, 1997), accounts are most often developed in the context of social action and breakdowns in the intelligibility and warrantability of actions (Harre, 1997). There has been a great amount of research on 'accounts' within the realm of sociology, organisational behaviour and communication (McLaughlin, Cody, Dickson, & Mavusov, 1992). Research on accounts has often put this concept to different uses. On the one hand, some researchers have used accounts in the sense of people's attempts to affect the repair of a social failure. Following this stream of research, Schonbach (1980) developed a taxonomy of accounts as excuses, justifications, concessions and refusals. In general, there is a proliferation of work on excuses and justifications within the realm of social-psychological as well as communication studies. On the other hand, in other studies, accounts have been used to refer to the narratives or stories that people use to make sense of particular social situations and actions (Antaki, 1987; Harre, 1997).

The qualitative case study (i.e. university case study) focused on the latter sense of the 'account' concept. To put it simply, and in the context of this study, an account is an integrated story of a sequence of events. It includes a sequence of events, reasons for acts, as well as attributions about the causes of happening (Antaki, 1994). They typically include descriptions, emotions, explanations and predictions about similar events in the future (Weber, Harvey, & Orbuch, 1992). People give reports of what happened in the situation being explained. In this sense, in accounts, people work through assigning some
kind of structure to a sequence of stages of events; this sequence can be casually – or temporally – organised (Bennett, 1992).

In the context of the university case study, employees gave retrospective accounts of their experience of the transformational change initiative in their institution’s orientation. When constructing accounts of a change instance, people strive to construct a coherent narrative\(^{17}\) in which everything ‘fits together’ (Antaki, 1987: 34). The drawbacks of using retrospective accounts is that much of the data collection involves interviewing employees after the events had occurred. Thus, employees’ explanations and accounts of events and changes are given with the benefit of hindsight. Such post facto accounts and explanations may be liable to assume a rationality that they may not have in reality. To some extent this is inevitable since even the very act of interviewing may lead interviewees to engage in sensemaking so that accounts given in response to the interviewer’s questions are, in part, a product of this sensemaking process and in part an account of the original episode (Swan & Newell, 1998). However, the advantage of retrospective accounts is that interviewees may feel more comfortable in giving accounts because the event is over (Pettigrew, 1993). In these cases, for example, employees freely admitted to problems that may have been unlikely to be admitted at the time, for example, that they had little information and understanding of the change.

Accounts of change reflect the employees’ ways of organising their experience of change instances in their workplace; in this sense accounts are sensemaking structures regarding the social world. Since accounts are seen as reconstructions of events in which the accounter gives meaning to, and constructs a story-like explanation of events and experiences, people may construct very different accounts of the same event. Some researchers have emphasised the persuasive aspects of accounts (Riessman, 1993). Apart from the fact of human limitations in cognitive processing, relevant research has highlighted the importance of the different motivations of individuals for the construction of an account (e.g., for enhancing their self-esteem; for ‘understanding and control’; or they may use the account as a means of ‘emotional release’) (Antaki, 1987; Cody &

\(^{17}\) In the context of the university case study, the terms ‘accounts’, ‘narratives’ and ‘stories’ are treated interchangeably.
Laughlin, 1988). Moreover, Antaki (1987) has argued that the context and the audience to which the account is given have an effect on the account itself\textsuperscript{18}.

As Parker posits, the aspects of the social world, which are reconstructed in an account reflect the imperfect, fragmentary knowledge the individual has of this world (Parker, 1988). Through the description of a sequence of events, as well as of the reasons underlying them, the individual assigns order to an ambiguous – and thus liable to interpretation and sensemaking – succession of events (Gergen, 1982). By selecting how to arrange and explain a sequence of events, the accounter reveals his/her vision of the world (Antaki, 1994). As Riessman has put it:

"[i]nterpretation is inevitable because narratives are representations [...] Human agency and imagination determine what gets included and excluded in narrativisation, how events are plotted, and what they are supposed to mean."

(Riessman, 1993: 2)

In the sense that accounts are representative of the way that individuals make sense of particular events, they have been considered as appropriate tools for revealing the way employees interpret and make sense of transformational organisational changes. Accounts have also been regarded as 'revealing truths' which, instead of revealing the past 'as it actually was', illustrate the 'truths of people's experiences' (the Personal Narratives Group, 1989). However, as the Personal Narrative Group (1989: 262) posited, the 'truth of our experiences' differs from the 'truth' of the scientific standard:

"our academic disciplines have [...] elevat[ed] some kinds of truth (the ones that conform to established criteria of validity – over others [...] Considered in these terms, the truths in personal narratives cannot stand the tests to which they are subjected; [...] while such a conception may be safe in its claim to meet any challenge to its scientific validity, it inevitably excludes certain experiences that require understanding."

As argued earlier, when presenting an account, the person tells a 'story' about possible explanations of the particular situation or series of events recited by the accounter. Examining people's accounts as stories people offer of what happened in a particular situation a series of claims and counter-claims are used in their attempts to justify why

\textsuperscript{18} In the university case study, organisational members give accounts of certain change instances (as it will be further discussed in section 4.8.2) in retrospect and to a 'supportive' listener (i.e. the researcher).
their story must be accepted - by the listener - as 'true'. As Antaki and Leudar (1992) suggested, the notion of explanation is associated to an explicit or implicit question regarding why a given story (and not some other) is an acceptable account of what happened. Following this line of thinking, the modelling of employees' accounts of an introduced change instance encountered in their workplace involves examining the claims that they make in support of their 'preferred' explanation of what happened during the particular change recited. Thus, an account can be seen as a story-like explanation, which consists of a series of claims; if the 'listener' accepts these claims, s/he also gives legitimacy to this story\textsuperscript{19}.

As Antaki and Leudar (1992) have suggested, explanations can have argumentative functions. The pervasiveness of explanations in people's argumentation can be understood when considering that, when reasoning and arguing, people strive to support their claims and make them acceptable to their audience. The perspective of the university case study on employees' accounts of organisational change is that they are series of explanations consisting of claims, counter-claims, as well as reasons supporting these claims. Moreover, the various elements included in these explanations have an argumentative function, in the sense that, when offering these explanations, employees are concerned to justify their claims and thus, have their account accepted. In this sense argumentation is a way of sensemaking in organisations and it is to this issue that the discussion now turns.

4.7. ORGANISATIONAL SENSEMAKING AS ARGUING

The centrality of arguing in organisational sensemaking has been noted by several people (Weick, 1995). The theme is at the heart of Tompkins's (1987) rhetorical gloss of the entire field of organisational studies (see also Tompkins, Tompkins, & Cheney, 1989). Cohen, March, and Olsen (1972: 25) describe "an organisation as a set of procedures for argumentation and interpretation as well as for solving problems and making decisions". Anderson's (1983: 214) analysis of decision making during the Cuban missile crisis is built around the idea that "goals are discovered through a social process involving argumentation and debate in a setting where justification and legitimacy play important roles". Huff (1988: 84) in her essay "Politics and Argument as a Means of Coping With Ambiguity and Change" shows how political interaction in organisations creates "a natural

\textsuperscript{19} The assessment of the whether the 'story' constructed by the accounter is acceptable will depend on the validity claims of what the latter said, as well as to the authority with which s/he said it (Antaki & Leudar, 1992).
dialectic" when people challenge one another, and in doing so, clarify new strategic ideas. All of this may be captured most succinctly in Schmidt's (1991: 88-96) description of organisational sensemaking as “debative cooperation” (see Mirvis, 1985, for an example of debative cooperation).

The argument so far about organisational sensemaking concerns the way top management clarifies and makes sense of strategic issues. However, employees too are essentially rhetorical creatures (Harre, 1993; Billig, 1987), which means that argument comes into the very way employees think. This emphasis on dialogue within employees as well as between them, recognises the centrality of argument to both thinking and communication processes. Billig argues that, to understand the meaning people attach to situations one 'should not examine merely the words within their discourse or the images in the speaker's mind at the point of utterance, one should also consider the positions which are being criticised, or against which a justification is being mounted' (1987: 91). However, it should be noted that rhetorical fencing does not just occur between individuals as they argue with each other, it also occurs as part of the mental processes in which employees in effect ‘debate with themselves’ (Weick, 1995) when interpreting events and situations.

In this respect, and insofar as employees make use of argumentative language when constructing their accounts of transformational change, it is perhaps relevant at this point to refer to relevant research on people’s argumentation to examine how this realm of research has examined ordinary argumentative language. The focus of this review is to give a picture of the way in which the field of argumentation theory has developed over time, and, in this way, to establish the frame of reference within which Toulmin’s framework of argumentative structure is situated. This framework will be used in the university case study (Chapters Five and Six) as an analytical framework for the examination of employees’ claims regarding their interpretation and sensemaking of change in the particular transformational change initiative, as well as the reasons they present to support these claims.

4.8. ARGUMENTATION ANALYSIS

The term ‘argumentation’ alludes to a verbal activity consisting of a constellation of statements aiming to justify or refute a certain opinion and persuade an audience (van Eemeren et al., 1987). The manner in which these statements are ordered within the discursive text constitutes the argumentational structure of that text. Even though the field
of argumentation research is characterised by the presence of different theories, a recurrent preoccupation of this field has been an attempt to draw a distinction between sound and unsound argumentation. This difficulty is associated with the fact that different theories have divergent conceptions regarding what ‘argumentation soundness’ is.

The study of argumentation has typically centred either on the interaction between two people having an argument (i.e. discussion, debate), or on written texts where a person makes a speech or produces an editorial (Van Eemeren et al., 1994). This alternative focus also reflects the different senses in which the term ‘argument’ has been used by researchers. On the one hand, argument has been approached as a process. In this case, research has focused on understanding the elements embedded in the process of persuasion between two participant roles (i.e. arguer-opponent). On the other hand, the perspective of argument as product entails looking at the set of elements (i.e. premises and conclusions) as a means of representing ‘meanings’ – abstracted from the process of communication and presented in form of written text – which are subjected to logical analysis and criticism (Wenzel, 1992). Accordingly then, argumentative texts are the finished ‘products’ of a deliberate process of reasoning. Rather than limiting one’s interest on how elements of a person’s viewpoint hold together, current research on argumentation is increasingly concerned with examining how these elements respond to the questions, doubts and counterclaims raised by an interlocutor (Van Eemeren et al., 1993). Thus, the structure of an argument can be understood properly as product through considering the various challenges, which may arise in basic dialectical situations (i.e. argument as process) (Freeman, 1991).

While nowadays the study of argumentation is a research field in its own right, it was originally treated as a part of the art of rhetoric, or persuasion. The sources of modern theoretical thinking on argumentation are considered to lie in ancient Greece and the most significant contribution to argumentation, at the time, was the one made by Aristotle, who developed a theory of reasoning. Aristotle’s primary assumption was that existing knowledge and opinions constitute the material on the basis of which people arrive at new opinions during argumentation and reasoning (Van Eemeren et al., 1987).

During the mid Eighteenth century, the study of argumentation, which was still following the classical tradition, oriented itself towards rendering the rhetorical and logical insights applicable to teaching (Van Eemeren et al., 1987). Studies on argumentation pointed out the limitations of formal logic and challenged its appropriateness for the analysis of
everyday argumentation practices, since assessment of ordinary arguments necessitated their 'translation' into logical standard forms (Benoit, 1992). Even though this paradigm on argumentation research did not separate itself completely from the classical tradition, it nevertheless brought to the fore a new approach to logic. This approach has often been referred to as informal logic and has focused on everyday argumentation. Its point of departure from formal logic is that, while the standard of validity is clear and relatively unequivocal, it is difficult to apply to real arguments (Antaki, 1994). On the contrary, in everyday life, formally 'invalid' arguments have often been found to be quite reasonable as bases for practical decisions.

The present state of affairs in argumentation theory is characterised by the presence of a variety of theories and models of argumentation which often differ in scope and degree of refinement, as well as in the definition of the norms of rationality according to which the soundness of a given argument is assessed (Van Eemeren et al., 1987). The most influential work in this realm of research has been Perelman and Olbrechts-Tyteca’s New Rhetoric and Toulmin’s The Uses of Argument. What is common in both works is their focus on an interactional view of argument and their challenge of formal logic as a serious attempt to describe human arguing.

Perelman and Olbrechts-Tyteca (1970) developed an argumentation theory which they termed New Rhetoric, pinpointing the limited applicability of formal logic as a model for value judgements in everyday argumentation. Their theory stresses the role of the audience in argumentation, by attributing the soundness of an argument to the audience for which it is intended. Since in formal logic neither absolute truth nor validity exists in rhetorical argumentation, appeals to reason are appeals to the adherence of the audience (Levine, 1991). The aim of argumentation is not considered to prove the truth of the conclusion from the premises, but to relate the premises and the claim of an argument in such a way that “the acceptance of the data can be transferred to the claim” (Benoit, 1992: 63). New Rhetoric offers a distinction between different sorts of audiences (universal vs. particular), different classes of premises, as well as between different types of argument, which may be successful in practice. According to Perelman and Olbrechts-Tyteca, there are two types of premises: (a) premises related to reality, which consist of facts, truths and presumptions on the basis of which a particular claim is asserted by a ‘universal’ audience,

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20 Existing research has indicated that it is operationally difficult to distinguish between the different sorts of argument (Antaki, 1994).
and (b) premises related to preferences, which comprise abstract values, hierarchies of values and what is preferable to a specific audience (Perelman and Olbrechts-Tyteca, 1958). Even though The New Rhetoric claimed to provide a systematic description of the discourse techniques enabling more effective argumentation, the systemacity and clarity of this description has been questioned (Van Eemeren et al., 1987). Moreover, according to Perelman and Olbrechts-Tyteca (1970), the proposed techniques of argumentation are attuned to the audience to which the person’s argument is addressed, and from which approval is sought. However, the authors fail to provide explanations regarding how a particular arguer, in his/her attempt to construct an effective (i.e. persuasive) argument becomes aware of the premises espoused by the audience (Van Eemeren et al., 1987).

4.8.1. Toulmin’s Layout of Argument Structure

Up to the present time, Toulmin’s model for reproducing the structure of an argument, which was proposed in his book Uses of Argument, is the model which has received the most attention in the field of argument research, is cited in all serious handbooks of argumentation and has become the most influential framework for further research in this field as an aid in construing, analysing and evaluating arguments. While New Rhetoric has adopted a descriptive perspective on argumentation, Toulmin’s interest when generating a schematic illustration of the argumentational structure was to prepare the argument for a critical evaluation, as well as distinguishing between sound and unsound argumentation21 (Ball, 1994). As Toulmin himself claims, his focus is to discover

“how [...] to set out and analyse arguments in order that our assessments shall be logically candid [...] that is, to make clear the functions of different propositions invoked in the course of an argument” (Toulmin, 1958: 8)

According to Toulmin, argumentation refers to an activity of making claims, challenging them, backing them by providing reasons, criticising those reasons and rebutting those criticisms (Toulmin et al., 1979). Toulmin based his model on the discipline of jurisprudence as more representative of ordinary arguments than classical syllogistic structures. A central feature of his work is that the criteria upon which the soundness of an argument depends lie on the nature of the issue to which the argumentation relates, and

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21 As mentioned earlier, since argumentation’s function is for the person to persuade others of the truth of his/her discourse, questions related to the evaluation of argumentation have always endured in this field of research.
that the criteria of formal validity and analyticity as employed by formal logic are of little value in the assessment of everyday argumentation.

Toulmin questioned the adequacy of the traditional layout of an argument (i.e. major premise, minor premise, conclusion), as proposed by Aristotle, and advocated a more elaborate layout, which would permit a more ‘candid’ analysis of arguments. While argumentation research has traditionally distinguished two functional roles for argumentative statements (i.e. premise-conclusion), Toulmin advocated that an argument is structured in terms of Five functional elements: data, claims, warrants, backings, qualifiers and rebuttals. Since, according to Toulmin (1958), there are no universal or absolute norms for assessing argumentation, the authority of the warrant is derived from the backing, the content of which depends on the subject of the argumentation. In this sense, the criteria for assessing a particular argument are field-dependent and need to be established by persons possessing expertise in the particular field. According to Van Eemeren et al. (1987), the concept of ‘field-dependent’ backing in his model is supposed to bridge the chasm, which separates the premises and the conclusion of arguments in the formal logic.

Toulmin centred his attention on the argumentative function\textsuperscript{22}, rather than the argumentative form. Following this line of reasoning, understanding the structure of arguments in texts necessitates an understanding of the functional roles of the statements included in the argument in the course of the argumentation process (Freeman, 1991). In this respect he has incorporated into his model a number of questions, which are asked as a means of distinguishing between the different functions fulfilled by the statements entailed in the argument. In this sense, Toulmin’s model provides a ‘dialectical’ analysis of an argument, since it places an argumentative text into the context of the arguer’s effort to convince the listener (Van Eemeren et al., 1993). In the meantime, the model allows a description of a particular argument as a product (i.e. a specific set of statements used in the employees’ utterances), while taking into consideration that this argument evolves through an argumentative (i.e. question-response) process.

For Toulmin, argumentation is a movement from accepted Data through a Warrant (or Backing) to a Claim. The claim is the conclusive statement of the argument, which the

\textsuperscript{22} In this sense, Toulmin’s model focus on the functional relationships among parts of an argument offer an alternative to the traditional approach, which has been concerned primarily with the formal relationships of these parts (Van Eemeren et al., 1987).
person attempts to establish\textsuperscript{23}. \textbf{Data} are the evidence used in order to support the claim and serve as an answer to the question ‘what do you have to go on?’ Depending on the kind of claim which is under discussion, data may come from different sources (e.g., scientific research, authority reports) and may comprise experimental observations, matters of common knowledge, statistical data, personal testimony, previously established claims, or other ‘factual data’ (Toulmin, Rieke, & Janik, 1979). In cases where one does not immediately concede the accuracy of the data adduced, or simply requests further support for the claim, the relation between data and claim need to be indicated. The \textbf{warrant} answers the question ‘how do you get from data to claim?’ and thus serves as a ‘bridge’ which authorises the data to be the support of the claim (Mitroff, 1983). Warrants represent the ‘because’ part of the argument and are principles or rules and thus usually take the form ‘\textit{if the Data are true, then this Claim follows}...’. In the event of the warrant not being accepted at its face value, then there is a set of deep-seated reasons, the \textbf{backings}, which are included in the structure of the argument and provide further support, and also certify the assumptions posited by the warrants already in use\textsuperscript{24}. In this sense, a backing’s function is to answer the question ‘what makes you think that warrant is valid?’. According to Toulmin (1958) backings can refer to specific legal stipulations, and psychological or moral judgements, since the criteria for assessing the validity of an argument are field-dependent. However, in some arguments there may be certain conditions under which the claim does not follow on, logically. In such cases, qualifiers and rebuttals are included in the framework. While the \textbf{qualifier} expresses the uncertainty in the argumentation (‘is that always the case?’), \textbf{rebuttals} refer to the different possible objections or doubts regarding any part of the argument (Mitroff, Mason, & Barabba, 1982). As Toulmin claims, of the Five elements included in his model, only claim, data and warrant are present in each argument. The layout of the structure of an argument could be described graphically, as follows:

\textsuperscript{23} Claim is what standard analysis has called the \textit{conclusion}.

\textsuperscript{24} Data, warrants and backings may be counted as premises in the standard approach.
The above structural layout of an argument refers to cases where individuals construct a complete argument by making use of data, a warrant and a backing to justify their claim. However, the structure of an argument may not be fully presented on each occasion. In ordinary language, it is possible that some elements of an argument may be found missing since arguers, not being able to state everything pertinent to the case, necessarily leave much unstated. The missing elements of any particular argument may even be the ones that Toulmin considered to be basic and necessarily present in each argument. That is, the claim of the argument may be missing even though the arguer presents data and warrants for this (missing) claim; or, the data, on the basis of which the main claim is stated, may not be reported explicitly. It may also be the case that the rule (i.e. warrant) which provides support to the claim and illustrates the link between the data and the claim is missing. These elements may be missing because the arguer considers them to be well-known – or assumed – by his interlocutor (or his/her audience) and, thus, s/he does not regard it necessary to refer to them explicitly in his/her attempt to persuade the other. Existing research has indicated that it has mainly been the ‘because’ part of the argument (either the warrant or the backing) which is not stated explicitly (Marouda, 1995). As Govier (1987) claims, when presenting an argument, people do not always make references to their beliefs, which thus remain unstated, even though their truth is necessary for the components of the argument to hold together.

Acknowledging the particular (and often messy) nature of ordinary argumentative discourse, Toulmin’s framework of argument structure can be seen as a model for a complete argument (which refers to elements which may not be present in all cases) rather than attempting to find the various elements of the argument stated explicitly in any given argument. The fact that various elements of an argument may not be stated explicitly in
any particular case calls for the researcher conducting the argumentational analysis to infer the missing elements. This will make possible a clear understanding of what the arguer actually meant when presenting his/her argument and, consequently an evaluation of the merit of the particular argument. The task of inferring the missing parts of an argument in the course of an argumentation analysis, is even more important in the case of warrants and backings, since they both serve as a support of the claim made (e.g., while the warrant directly supports the claim, the backing serves as a guarantee of the acceptability of the warrant employed). In this respect, and as Van Eemeren has pointed out earlier, the use of Toulmin’s model as a means of analysing a particular argument necessitates interpretation on the behalf of the analyst, since “the scheme of justification employed will not be present in so many words in the argumentation” (Van Eemeren, 1987: 246). In her enterprise of inferring missing statements, rules and assumptions, the researcher needs to be cautious in balancing her own sense of logical direction with due respect for what the arguers actually meant by including some utterances in their discourse, as well as by omitting certain others.

4.8.1.1. The Problematic Related to the Application of Toulmin’s Framework in Practice

As noted earlier, Toulmin’s structural layout of argumentation (especially the basic three parts of the model: Data-Warrant-Claim) has been widely used in various contexts as a tool for construing, analysing and evaluating arguments. There have been many studies examining how students decompose and understand an argument (e.g., Martin’s (1990) study on students’ argumentation skills; Chambliss’ (1995) study on rhetorical schemata used during the comprehension of argument text). While the main interest of these studies has been to enhance the ability of students to be critical of arguments encountered (with respect to psychology and the speech communication discipline) there have also been studies focusing on understanding and describing argumentation practices in ordinary situations, e.g., de Young’s (1996) study of discourse on satanic ritual abuse; studies of argumentative logic in policy making and political discourse (Dunn, 1981; Ball, 1994). Vari et al. (1987) used Toulmin’s model as a means of exploring the assumptions (as expressed in individuals’ discourse) that underlie statements and the roots of conflict between the various stakeholders of a problem. Finally, Ball (1994) has developed a computer application of the model which allows the representation of extensive policy
arguments by linking a series of Toulmin’s schematics\textsuperscript{25}, and which also incorporates evaluation criteria in this model.

In general, a review of studies on argumentation indicates that multiple schemas have been employed as a basis for analysis, most of which refer directly or indirectly to Toulmin’s framework (de Bernardi & Antolini, 1996). However, this review also reveals that a great number of existing studies have challenged the applicability of Toulmin’s model to real-life arguments, on the basis of the clarity as well as of the differentiation between the various elements entailed in his model of argumentational structure. For instance, Ball (1994) concluded that Toulmin’s model is useful in analysing simple arguments, rather than arguments of realistic complexity, while Van Eemeren et al., (1987) posited that it is only in Toulmin’s (artificial) examples that the elements of the argumentative structure he proposed can be clearly distinguished from each other. In general, the most frequent criticisms concern the difficulty of differentiating in practice between (a) data and warrants and (b) warrants and backings. Hample (1992) has pointed out failures in clearly distinguishing the main parts of Toulmin’s model and, as a consequence, has challenged Toulmin’s rationale in relation to the function of data, warrants and backings, which have not been differentiated in the traditional approach. As a consequence of such a thorough criticism, certain researchers have challenged the extent to which Toulmin’s model (which sees the conclusion as being supported by the data via the warrant) is preferable to the traditional approach (which advocates that the conclusion is supported by two premises) (Freeman, 1991).

Regarding the issue of distinguishing between the data and the warrant in a particular argument, even Toulmin (1958) himself acknowledged that, by using the proposed functional distinction (e.g., ‘what do you have to go on?’ and ‘how do you get there?’), it is often difficult in practice to differentiate which statements serve as data and which as warrant. The problematic differentiation between these elements is also illustrated when looking at the definition of warrants that Toulmin offers:

“rules, principles, inference-licenses, instead of additional items of information […] general, hypothetical statements, which can act as bridges, and authorise the sort of step to which our particular argument commits us.” (Toulmin, 1958: 98)

\textsuperscript{25} According to Ball (1994), Toulmin’s model can be used to analyse only simple arguments, while is inadequate for arguments of realistic complexity; for this reason, he proposes a series of linked schematics where, for instance, the claim of one argument serves as one of the grounds in the following argument.
As a consequence of the difficulties experienced when attempting to identify which utterances constitute the data of an argument and which constitute its warrant, some argumentation theorists have proposed that data and warrant should be treated as the minor premise of an argument (Hample, 1992). On most occasions, the problematic nature of the different use of data and warrants when analysing arguments has been associated with cases where the argument to be analysed is a written argumentative text. As Freeman (1991) postulates, the identification of the warrant is particularly problematic in texts, where there is no indication regarding to which question this statement provides an answer.

The other frequent point of criticism regarding Toulmin’s model has been the differentiation between the warrant and the backing of an argument. As Toulmin proposed, warrants are hypothetical and bridge-like statements, while backings are categorical statements of fact. Even though Toulmin’s definitions appear to provide the basis of a clear distinction between these two elements of his structural framework, studies on argumentation have often reported difficulties in differentiating them, in the sense that they both constitute the ‘because’ part of the argument (Freeman, 1991). As a consequence of the difficulties encountered when distinguishing between these elements, the majority of studies employing Toulmin’s framework adopted the three-part structure of this layout (where they use either the notion of the warrant or of the backing as representing the ‘because’ part of the argument).

Regarding the definition of the warrant and the backing in an argument, it would be more helpful, if these elements were approached in terms of a difference in their degree of generality. In other words, as Toulmin (1958) postulated, the warrant can be seen as a principle or a rule which supports the claim made by revealing the relevance of the data presented to this claim. On the other hand, a backing refers to a more deep-seated reason, a value in the person’s belief system, which is alluded to as a means of providing further support to the warrant to which it refers. This difference in generality between these two elements is suggested in Toulmin’s reasoning when attempting to account for cases where the warrant implies the backing, or where the latter may serve as the function of the former (in cases where the warrant is missing), Toulmin posits that,

“often enough, we make the single statement do both jobs at once and gloss over, for brevity’s sake, the transition from backing to warrant — from the factual
information we are presupposing to the inference-license which that information
justifies in employing.” (Toulmin, 1958: 111-112)

In short it can be argued that studies using argumentation analysis have often confined it
to the level of the text, and to what has been explicitly presented in the context of a
particular argument, resulting in problems of identifying the various elements of the
argumentative structure26. However, as Wilard (1976) has postulated, the actual ‘form’ of
an argument in a text may have little or no clear relationship to the propositional
relationships intended by the arguer. For this reason, “the argumentation theorist or
rhetorical critic who diagrams the contents of speech texts is doing nothing more
significant than drawing pictures of lines on sheets of paper.” (Willard, 1976: 313).
However, Willard’s criticism of the failure of Toulmin’s model to provide a descriptive
tool for the analysis of day-to-day argument, as well as to reduce human symbolising to
words and propositional forms, should not be seen as directed at the model’s
appropriateness for the analysis of arguments, but rather as directed at analysts who have
confined the use of this framework to the level of what is actually included in a text. This
is especially the case since Toulmin (1958) himself has acknowledged the need for the
analysis of any particular argument to be placed within a broader discourse context (i.e.
macro-argument). This context will guide the analysis and the restructuring of the
argument structure, by defining what is at stake.

Going beyond the level of the text by taking into consideration the situational context
within which a particular argument is located (e.g., both in terms of the wider argument, as
well as the social situation, which gives meaning to this argument), it can be argued that
the argumentation analyst will be in a better position to understand and analyse an
argumentative text. Acknowledging the importance of this context for the analysis of
arguments will enable the analyst to make more ‘informed’ choices when identifying the
various structural elements of the argument (e.g., which elements constitute the points of
departure, which are used in support of an argument), as well as inferring those parts of
the argument which are left unsaid and not stated explicitly. This will also provide
important clues about how information, statements, or assumptions are interpreted and
utilised within this particular context.

26 This orientation in argumentation research can be understood in those studies, which focused on speech
argumentation with a view to assessing the soundness of argumentative texts (as products) and thus, their
subsequent persuasive value. These studies did not address the issue of understanding and describing
people’s reasoning processes.
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Here then, the argument stands as follows. Rather than treating the argument being analysed as a self-contained 'event', the analyst needs to reflect on the broader circumstances that give rise to the way in which the particular argument under examination is fashioned. In this way, the analysis of the argument will rely on the understanding of the meaning of the account, rather than the reverse (Burelson, 1992). Toulmin's notion of the 'field-dependent' nature of the criteria against which the merits of an argument need to be evaluated is particularly useful for understanding the importance of the context in the understanding and analysis of arguments. Rather than confining the notion of context to more 'surface' features of the immediate situation in which the argument occurs (e.g., arguer's perception of his/her listener and attribution of motives to the latter; topic of discussion, commonality uniting the arguer with the listener), Toulmin's notion of 'field-dependence' has directed attention to the 'substantive' context of the argument (Burelson, 1992). The context is thus conceptualised as providing the meaning structure in which arguments are fashioned. In this sense, the context provides a sensemaking nexus consisting of ideas and assumptions which are shared by members of this context. These assumptions inform the arguers about the claims, which can be made legitimately, the kinds of warrants, which are permissible, and the statements, which constitute acceptable (i.e. believable) and relevant data or backings in a particular situation.

Finally, the importance of the social context within which the argumentative language used in accounts is fashioned, played a significant role on the decision to explore the key aspects of employees' change interpretation and sensemaking process in particular work organisations. Due to the lack of clarity or precision often entailed in accounts, analysts still retain their responsibility as interpreters of these accounts. These analytic interpretations have to be seen as partial, alternative interpretations, which aim for an 'enlargement of understanding' of the research phenomenon (Riessman, 1993). As a means of enhancing one's interpretations as an analyst, it has been argued that one has to pay particular attention to the context, which shapes the creation of these accounts, as well as to the world views which inform them (Personal Narratives Group, 1989).

As mentioned in Section 4.5, organisational research has used a variety of methods as means of data collection (Huber & Van de Ven, 1995) (e.g., interviewing, use of questionnaires, group discussions, participant observation and document analysis). For the
first case study\textsuperscript{27}, semi-structured interviews were used as the means of collecting information on change interpretation and sensemaking processes from the perspective of employees, as well as providing contextual information. Conducting semi-structured interviews has been found to open up possibilities for encountering phenomena that could neither be expected nor foreseen (Whyte, 1984). The inclusion of some personal observations, gathered while the researcher was present within the organisation under study, acted as a cross-check on the information collected from the interviews.

4.9. EXPLORATION TECHNIQUE: THE SEMI-STRUCTURED INTERVIEW

4.9.1. Theoretical Bases for Interview Method

The interview – little theorised but much criticised in the social sciences – has been described by Farr (1984: 182) as “a peculiar form of conversation in which the ritual of turn-taking is more formalised than in the commoner and more informal encounters of everyday life”. Having been expelled from a social science that sought to discover objective facts, the interview has enjoyed a recent revival (Bryman & Burgess, 1994) precisely because of its reactive, subjective quality. Following the fundamental assumptions of ethnomethodology, the interview begins from the position that people within a culture possess particular means for making sense (Feldman, 1995), and that such sensemaking is a valuable tool for the understanding of both the individual subject and the culture(s) to which he/she belongs. The notion of sensemaking is taken literally here, as the interviews sought to allow employees to try, through the accounts they employed, to ‘create’ sense out of a largely-questioned issue: transformational organisational change.

The semi-structured interview makes possible this exploration of employees’ sensemaking, an approach that demands pre-structured guidelines to be set by the interviewer, while allowing employees to set the agenda of the interview overall. In this format, the employees lead and the interviewer follows, which gives rise to an exchange where there is not a ‘nonsense-checking’ by the employees, but an active ‘sensemaking’ by them, from which a narrative is derived that is presented as text. In this context, the interviews conducted here were about the change in the institution’s fundamental orientation, as set by the semi-structured interview guide, but the course and content of an interview itself depended on each employees’ own story.

\textsuperscript{27} The remaining three case studies will employ quantitative means of data collection).
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The semi-structure interviewer generates results by immersing herself in the content of the interaction. Rather than detaching the researcher from the subject matter, the interviewer aims to achieve an understanding of the issue, the people and the society, from the very fact that a great deal of 'knowledge' about the world is already shared with the respondent. Such 'shared knowledge' or shared understanding allows the interaction to both take place at all, and produce an insightful exchange. Without a basic common ground no successful communication would be possible: mutual understanding creates a situation where disclosure is facilitated, even if continually regulated and 'edited' by the respondent.

'Shared knowledge', however, for all its advantages, needs to be regulated in exploratory interviews (Oppenheim, 1992) of the sort utilised in the qualitative university case study. As the subject matter was precisely a change initiative presently encountered by employees, there was a great deal of 'shared understanding' that had to be interrupted in order to explore the latent assumptions taken-for-granted by the employees. A deconstructionist approach facilitated this goal, which aimed to give "attention to how language creates some meanings and suppresses other meanings" (Manning, 1982: 274). Instead of looking for silences and gaps however, these interviews looked for the 'floating issues', the ones that employees would talk about without feeling the need to resort to further explanation (because nothing more could be said); and the ones that the interviewer was expected to understand (because she belonged to a shared culture). Employees' ability to make sense - to rationalise - their accounts, their beliefs and their actions was capitalised on by these interviews, and such sensemaking could only be elicited by the reactive, subjective quality of the interview technique.

4.9.2. The Semi-Structured Interview Guide

The interview guide used in the encounters was devised with the intention of making the interviews both exploratory (Oppenheim, 1992) and semi-structured. 'Exploratory' because a standardised format was rejected implicitly that would ask "the same questions, with the same meaning, in the same words" (Oppenheim, 1992: 67). To get to the notion

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28 Oppenheim (1992) presents the 'exploratory' or depth interviews as a 'preliminary' stage of a "full-scale study" (p. 68), which is not the purpose of the interviews in the university case study. The interviews themselves constitute data, in a way that Oppenheim rejects, but the term has been retained, because it does illustrate the purpose of the interview technique as a method for eliciting free accounts, opinions and beliefs from respondents. The interviews, in this sense, would be wasted as a preliminary stage to quantitative techniques.
of narratives or stories told by employees regarding their responses to and their interpretations of the organisation's transformational change, required loosening the standardised techniques in favour of an exploratory, heuristic approach. For this reason also, the interviews had to be semi-structured.

The interviews were intended neither as 'catch-all' discussions, nor as interrogations. They required guidance and direction without constraining the employees to one-word answers with little depth or context. The semi-structured interview allows the interviewer to take employees through high degrees of exploration and penetration by firmly setting the agenda and limiting the topics for discussion, and also by allowing for employees themselves to contribute a considerable guidance in the path the interview follows. Implicit in the ethnomethodological grounding of the exercise is the acknowledgement that employees have life-experience, that they have developed their ideas, not merely inherited them; that they are creative, rationalising beings, not mathematical automatons. The implication is that, in the handling of an issue that employees have questioned very little (if at all), the interview situation needs to allow them to set the criteria for the basis of their beliefs, their opinions and their accounts.

The objective of the interviews then was to elicit employees' accounts of their perceptions, beliefs, and responses regarding a recent change in their institution's fundamental orientation. The interview guide developed sought to encourage employees' accounts on recently introduced organisational change. In particular employees were asked to talk about the recent strategic reorientation exercise, focusing on some of the issues that had been changed as an effect of the implementation of the new programme. This means that the open interviewing technique had an issue focus (Dutton & Duncan, 1987). The issue-focus was chosen for three reasons: (1) to serve as a stimulus for eliciting organisational-specific cognitions, (2) to channel and narrow the potential broad exploration, and (3) to introduce a reference point for employees so that the information could be compared across time and events for each employee and across employees. Furthermore, the issue had a broad connotative meaning to leave room for culture-specific interpretations, it was relevant to all employees and avoided systematic response biases at an individual basis.

To permit intraindividual comparisons, each employee was asked to talk about some of the main changes that had occurred in the institution as a part of the whole reorientation programme. Their understanding and responses to the changes were then explored in
detail. After some warm-up questions about the employee's work history, the exploration of change started with a broad, open-ended question, followed by triggering questions (Spradley, 1980) that fit into the flow of the interview determined by the employee (Massarik, 1977). During each interview, the following questions were asked and explored: Which changes that occurred during the change programme do you consider more prevailing? This broad question allowed employees to define (a) changes, (b) relevance / importance, and (c) their identity (function, department, institution, etc.). Then for each change mentioned: What do you think about the change? Do you consider it important? Necessary? What caused the change? For what purpose? Who was involved? Who and what aspects promoted the change? Who and what aspects presented obstacles in the process and how? What could have been done to improve the change? How does it affect you? All interviews were tape-recorded and transcribed verbatim to gain in-depth knowledge of the data.

Related topics were also incorporated into the interview guide, based on informal preliminary interviews indicating that particular subjects such as culture, communication, image, attraction, etc., played a significant role in employees' accounts of change as an individual as well as an institutional reality. Consequently, the design of semi-structured interview guide was motivated by the theoretical need to explore accounts on both the private and the public, in a manner that encouraged employees to bring into focus items of relevance to their own organisational identity.

In general, the main focus during the interviews was to gather information with reference to change instances experienced personally by employees in the context of their organisation and their department. This method permits better understanding of complex phenomena (Van Maanen, 1979) from an emic or insider's perspective (Evered & Louis, 1981). In other words, the method of choice needed to, first, reveal employees' cognitions and interpretations of transformational organisational change and, second identify the process of sensemaking of change. References to specific situations and events – rather than generalisations – had to minimise possible distortion (Podsakoff & Organ, 1986). The use of multiple employees from different departments and levels within the organisation overcame the problem of having to rely on a single group's terminology of describing change. Finally, being aware of the limitations entailed in self-report methods, in terms of poor recollection of events (Yin, 1984), attempts to overcome such problems were
attempted by means of asking employees about specific and important change issues and further priming them on these instances.

Thus, the interview guide was designed to suit three criteria: depth (of content), structure (of agenda and subject matter) and deference (to employees’ organisational experience and self-definitions). The breadth permitted by a loose agenda also served to relax the interview situation into an exchange in which employees could feel at ease talking about personal as well as professional issues, feelings and experiences with a stranger. At the same time, however, the presence of an agenda meant that all the interviews would broach the same topics and roughly the same issues, albeit not in the same order nor with equal emphasis, as this was dependent on the employees’ own accounts.

The semi-structured interview presumes from the outset that some of the discussion will be guided by the content of employees’ narratives. The consequence is that the agendas of two interviews are never identical, since employees’ organisational stories demand that different degrees of attention be paid to different ‘topics’ in the interview guide, meaning also that certain issues will be broached and made clear by the employee without any direct prompting or questioning. The semi-structured interview is, in this respect, highly economical. The interviewer has a clear idea of what issues need to be discussed, but no additional effort needs to be expended on maintaining a rigid structure.

Researching employees’ interpretations of organisational change demanded the use of just such an approach. Guided by the theoretical assumption that manifest accounts do not simplistically reveal latent meanings, the interview guide was designed to elicit spontaneous opinions and beliefs. Great care was taken to avoid a confrontational line of questioning that would put employees on ‘the defensive’ and pervert the course of the interview by inhibiting further responses. The result was a series of interviews that were open, involved and relaxed. They represent realistic exchanges in which employees reported not feeling ‘on trial’; consequently, analysis was both difficult and extremely discerning. In pursuing unobtrusively employees’ views on organisational change as an organisational fact and a personal issue, very rich accounts that ventured beyond the immediate issues were obtained providing thereby highly fertile texts for analysis.

4.10. ESTABLISHING THE QUALITY OF THE PRESENT EMPIRICAL STUDY

Even though recently, there appears to have been a general realisation that research techniques used to treat orderly problems are not appropriate for investigating problems of
organised complexity (Mason & Mitroff, 1981), investigators have often criticised qualitative research for its lack of rigour. One common concern has been the likelihood of biases. As in any qualitative social research, the university case study relies on the researcher’s interpretations of the phenomenon under investigation (see Sections 4.2. & 4.6.). Since the phenomenon is often not directly observed, the researcher has to make inferences based on the evidence collected as part of the study. When choosing to conduct interviews with employees and rely on employees’ accounts of change in order to investigate change interpretation and sensemaking process, the researcher was aware of the likelihood of such biases, as well as of the fact that biases also occur in other research designs. It has been found that biases may also affect the conduct of experiments, as well as of survey designs (Rosenthal, 1966).

Apart from the likelihood of biases when making inferences from interview data, research has also indicated that misunderstandings and errors in interpreting what was said in the interviews may go unrecognised (Becker & Geer, 1969). These make the researcher’s inferences even more questionable. As a means of reducing possible misunderstandings, it was decided to cross-check information collected from interviews with the researcher’s personal observations from the organisation (i.e. university). As the researcher also was a member of the institution under investigation, she had the opportunity to develop her own observations and impressions of the institution and of the three departments comprising the focus of the study.

The researcher’s background proved very helpful when conducting interviews, since she was able to understand employees’ accounts about the institution in general. Moreover, at later stages of the research, the researcher was able to check the inferences derived from the interviews against this information, and thus, be in a position to interpret – more safely – employees’ accounts during the interviews. In support of this claim, existing research has indicated that, while ‘one-shot’ interviews have often been criticised for failing to provide the necessary contextual basis for an adequate interpretation of the research phenomena (Mishler, 1986), familiarisation with the contextual background enables the understanding of employees’ accounts as used within the socially organised context of the specific organisational environment (Cicourel, 1982). In other words, the information gathered informally, as a result of the researcher’s membership and presence in the institution provided her with the wider context against which pieces of information could be checked and consequent inferences could be derived.
Another issue of concern about this study can be related to the issue of external validity in the sense that it offers, according to critics, a poor basis for generalisation (Yin, 1984). Lincoln and Guba (1985), however, suggest that the term transferability of findings should replace generalisability, since sampling decisions have not been made on statistical grounds. Findings may be applicable to a contextually similar study, which “places a special onus on the qualitative researcher to report fully on the contextual features of a study...” (Pidgeon, Turner & Blockley, 1991: 167). Patton (1990) also addresses this issue and suggests that ‘extrapolation’ is a better term as it is problem orientated, whereas generalisability is based on statistical and probabilistic calculations. Mason (1996) distinguishes between empirical and theoretical generalisation, where the former is based on statistical grounds and thus is not applicable, whereas theoretical generalisation fits with the concepts of transferability and extrapolations. Again Mason stresses the importance of making each step overt, linking the claim of theoretical generalisability to all other elements of the research design and practice.

This criticism may originate from a possible implicit comparison of the present study with survey methods, the findings of which can readily be applied in contexts similar to the context in which they were first derived. However, the multiple case study research design adopted here (see Section 4.3) provides an answer to the problem of external validity and transferability of data. Yin (1984) distinguishes between statistical and analytical generalisation and it is the later that is being sought in this thesis which fits with the concept of transferability. In this sense, it is believed that the findings of employees’ interpretation of episodic transformational change in their academic institution may well be transferable to similar situations, to organisations undergoing episodic transformational and fundamental change. Furthermore, these findings will be used as a template with which to compare the empirical results from the subsequent studies. Besides, in the case of employees’ interpretation of transformational change it is considered necessary to explore different external conditions, i.e. organisations which are familiar with the process of episodic transformational and large-scale change, as it was uncertain whether these conditions would produce different case results. Lincoln and Guba (1985) point out that the different contexts must be taken into account and be articulated explicitly at the outset of each case study. Transfer of the findings derived from three organisational contexts will be attempted at the quantitative part of this thesis.
In addition, another issue associated with the quality of empirical research is that of reliability (Yin, 1984). As Lunt and Livingstone (1996) posited, the notion of reliability was developed for quantitative methods (e.g., test-retest reliability) and is mainly relevant to qualitative research at the level of superficial interpretation (e.g., dual coding). In general, the issue of reliability is related to the high degree of subjectivity often entailed in qualitative research and especially when analysing the complex information gathered as a result of this type of research.

It can be argued that concerns about validity and reliability are interrelated in the sense that they originate from implicit assumptions guided by criteria applicable to positivistic research. As Farr (1993) argues, positivism has been the dominant research tradition in anglo-saxon social sciences. One of the outcomes of this dominance is the tendency of researchers to assess the 'credibility' of qualitative research in terms of the criteria of reliability and validity as proposed, for example, by research on content analysis (Krippendorff, 1980). This tendency has been followed often by qualitative researchers in their own research.

Instead of evaluating qualitative research on positivistic criteria, the 'scientific standard' was aimed to be met in the following way. The procedure followed throughout the research should be standardised and clarified. Lately, this practice has been increasingly used in qualitative research. Accordingly each step of the research process should be described in terms of specific rules and procedures (Holsti, 1969). For this purpose, a detailed presentation is included in this thesis of the general procedure that was followed both during the data collection, as well as during the coding and analysis of employees' accounts of change (see Chapters Five and Six). This renders the analytical process transparent and accountable.

4.11. USING ACCOUNTS AS A MEANS OF EXPLORING EMPLOYEES' CHANGE INTERPRETATION AND SENSEMAKING PROCESS

In Chapter Two (Section 2.4), a distinction was made between the categories employees use when they interpret transformational organisational change and the process they use to make sense of and derive those categories, both of which are integral parts of the sensemaking process occurring during change. The first part of the qualitative analysis (Chapter Five) focuses on the exploration of the interpretative categories employees use when they try to interpret a change situation. The second part of the analysis (Chapter Six)
is dedicated to the modelling of this sensemaking process that is considered necessary for the investigation of the research phenomenon (i.e. sensemaking of transformational change) on which the present thesis centres. The notion of 'model', as used here, refers to "some abstraction of certain elements in the reality of the system the model is meant to represent (the object system of modelling) and a representation of the relationships between them" (Berkeley et al., 1990: 88). In our case, the 'object system of modelling' is the process of sensemaking during change. For this reason, the analysis of employees' accounts of their organisation's change will be two-fold:

First, accounts are examined in order to explore employees' ways of interpreting change as well as their justifications and rationalisations of these interpretations as they evolve in the course of particular change instances reconstructed in their accounts. Eliciting the key aspects of employees' interpretations will enable the exploration of the various ways in which employees understand change in the context of their organisation and their department. In this thesis, the development of categories for the interpretation of change followed a Thematic Analysis using Toulmin's tools for argumentation schemas (1958) and Vari et al.'s (1987) technique of inference chains. The product of this analysis was the development of 'Thematic Networks' which depict employees' interpretations and rationalisations of change and which are illustrated graphically in a web-like diagram depicting relevant links between claims, warrants and backings (see Chapter Five).

Second, accounts are examined again using Toulmin's tools for argumentation schemas (1958) in order to examine employees' sensemaking process as it evolves in the course of trying to interpret and categorise specific change instances. The modelling of employees' change sensemaking process is undertaken in the second part of the qualitative analysis (Chapter Six). When modelling the cognitive patterns and the structure of arguments which employees use in their attempts to conceptualise and interpret a particular change, a further objective is to shed light on the various aspects of the organisational context which have a bearing on the process of change interpretation. Furthermore, looking at employees' change interpretation effort as a sensemaking and argumentative one (see Sections 2.4 and 4.7), the accounts will be modelled according to an argumentation analytical framework. The analytical framework selected for the investigation of the change sensemaking process (which is presented in detail in Chapter Six) will enable the modelling of this process in terms of qualitatively different cognitive operations undertaken by employees as part of their sensemaking process.
The model of change sensemaking process will be presented diagrammatically, thereby showing the density and complexity of the model. Because of this, it often is difficult to translate the model from words into a concise and precise graphic form. However, diagrams are valuable tools for integration (Strauss & Corbin, 1998). Yet, the very act of producing the final integrative diagram will help the researcher finalise relationships and discover breaks in logic. In the end, it is important to have a clear and graphic version of the theory that synthesises the major concepts and their connections (Strauss & Corbin, 1998).

Moreover, particular attention is also paid to the argumentative function of an account. In this respect, accounts are analysed in terms of explanations, which comprise a series of claims, data and reasons in support of the claims made. Modelling accounts in terms of claims, data, warrants and backings will elicit employees' argumentation and sensemaking process as presented (explicitly or implicitly) in their accounts of the change encountered in their workplace. The final goal of the account analysis is to generate general propositions in the form of expected relationships (Miles & Huberman, 1984) between the different stages of the sensemaking process and employees' interpretations of change. The derived propositions will be refined and further explored in the subsequent three case studies in Chapters Seven and Eight.

4.12. ANALYTICAL METHODS FOR TESTING THE TRANSFERABILITY OF THE CHANGE SENSEMAKING MODEL

One of the aims of this thesis, embodied in Section 4.3, is to develop and achieve analytic generalisation (Yin, 1984) for a model of change sensemaking. The need to test specific, focused and theoretical research questions and to further refine the model derived from the qualitative case study required the cross-organisational comparison of a range of quantitative data underpinned by a psychometrically robust framework. Multivariate parametric statistics, then, represent the most appropriate and useful means for achieving these aims. Tabachnick and Fidell (1996: 1) report that "multivariate statistics are increasingly popular techniques for analysing complicated data sets." However, as Tabachnick and Fidell (1996) note, such increase in computing power in no way alleviate the responsibility of the researcher in the interpretation of obtained results.

To ensure the psychometric robustness of each measure developed or adapted for use in this research, the content and construct validity of scales need to be assessed. Evidence for
Chapter Four - On the Methodology

the content validity of any scale derives from its capacity to demonstrate comprehensive coverage of the target subject domain. In general, this is achieved through exploratory, in-depth interviews (Oppenheim, 1992) as well as through reviews of relevant literature, piloting of items, refinement for content and wording and finally, application to the sample of interest. Internal consistency reliability analysis may also be used to infer content validity to some degree, since this statistic indicates the degree of consistency with which scale items are measuring the target areas, and therefore, the level of consistency of the scale's content.

Construct validity refers to the robustness of the theoretical constructs which underpin a scale's component items. Following careful specification of the theoretical areas of interest (addressed to some degree via content validation), construct validity may be assessed empirically via factor analysis and correlational techniques. Factor analytic techniques (generally confirmatory, e.g., maximum likelihood in the case of a scale whose structure has been established a priori) can reveal which items within a scale report similar distributions of variance and therefore, which items cluster together to indicate the presence of an underlying 'construct'. Correlational analysis can achieve the same end, although is less elegant than factor analysis and can introduce more subjectivity into interpretation of the data. Both techniques may also be used to assess the convergent or divergent validity of a scale. If two scales were intended to measure different underlying constructs, it would be expected that a correlational or factor analysis would confirm this, with corresponding low correlations between scale items, or differential factor loadings. If two scales are expected to be related, the opposite would be expected, i.e. high correlations and same-factor loadings.

Once the validity and reliability of a scale or instrument have been established, parametric tests of relationship, difference and prediction may be applied, in the knowledge that inferential conclusions drawn from the analysis will be accurate.

The refinement of the sensemaking model of change developed from the qualitative case study requires the construction of parametric models which are able to assess the relative contribution made by each factor in predicting change interpretation, which may be achieved via several terms. Thomas, Shankster, and Mathieu (1994) have reported successful use of regression-based modelling techniques to explore the possible predictors of managers' interpretation of strategic issues. For the purpose of this thesis, this
technique, rather than the factor-analytic based structural equation modelling (SEM) approach, is considered more appropriate for a variety of reasons, outlined below.

Most importantly, SEM techniques require the specification and testing of models across samples, on the assumption that the same factors will report significance in different organisational groups. This is based on its role as a ‘confirmatory’ technique, requiring a priori stipulation of theoretically-generated parsimonious structural and measurement models. The focus however on the organisational settings as case studies suggests that findings would be organisational and sample-specific rather than generalisable across samples in that different predictors of change interpretation, especially the elements of the sensemaking context would be reported for each organisational sample. This violated the assumption that any developed structural model would be transferable across samples.

As suggested above, techniques such as SEM benefit significantly from increased parsimony at the stage of specification of the structural and measurement models. Since the approach adopted in this thesis necessarily included a broad range of potential predicting factors, it was deemed inapplicable to preclude variables for the sake of the model specification at an early stage. Following from this, the nature of the current study as exploratory rather than confirmatory in nature precluded the use of SEM techniques. Only broad assumptions were being made about possible relationships in the data, with no tightly-defined predictions presented at this stage, at least not at the level of detail required by SEM. Regression-based modelling, using a ‘stepwise’ procedure (to partly control for covariance in the data through selection of only the most predictive factors of an independent variable) was felt to be better suited to what is essentially an exploratory analysis of potential predictors of the interpretation of change in the model of change sensemaking.

The following multivariate statistical techniques are described in Chapters Seven and Eight of this thesis, in each case supported by a reasoned argument for their inclusion, alongside any concerns regarding the potential accuracy of conclusions drawn noted where appropriate:

* Exploratory principal components factor analysis – to identify suitable numbers of factors to be rotated under a confirmatory solution;
* Scree test – alternative method for identifying appropriate number of factors to rotate;
Confirmatory maximum likelihood factor analysis – to assess construct validity of scales and sub-scales developed for, or used in, empirical research included in the thesis;

Correlational analysis – to assess relationships between study variables, with Pearson’s product moment correlation co-efficient applied where interval level data were available;

Stepwise regression analysis – to identify the independent variable or variables which best predict the target dependent variable (taking into account covariance between independent variables);

Test for mediation using the three-regression-equation procedure suggested by Baron and Kenny (1986);

Test for moderation using the regression equations suggested by James and Brett (1984) and Baron and Kenny (1986);

Reliability analysis – using Cronbach’s alpha criterion, to assess the internal consistency reliability of a scale or sub-scale;

Canonical correlation analysis – in combination with a differentiated criterion set was employed in order to test for configurational relationships between the sensemaking variables and the categories of change interpretation.

Parametric multivariate analyses such as those utilised in the current set of studies impose fairly strict requirements on the nature of the data which may be appropriately analysed. To ensure that the data in the case of each statistical procedure were suitable for parametric analysis, for each dataset presented in Chapters Seven and Eight:

Screening for outliers and missing data was undertaken;

Normality of each variable was assessed (and transformed where significant skew or kurtosis was reported);

In the case of predictive regressional techniques, degree of multicollinearity between variables was identified, with the reader’s attention drawn to situations where a model’s conditioning index approached 30 while simultaneously reporting two variance proportions greater than .5, likely to represent an instance of multicollinearity.
where regression-based techniques become inappropriate (Tabachnick & Fidell, 1996: 104).

Finally, although the investigative and analytical approaches outlined above may be regarded as appropriate for use in the series of studies proposed, there exist a major drawback with these methods mainly concerning the issue of causality in correlational designs. As noted by, for example, Judd, Smith and Kidder (1991), the existence of a relationship between two variables does not mean that one of them causes the other. While it is a necessary condition for a causal relationship to be inferred between two variables, that they be statistically related, the existence of this relationship alone is not enough to infer causality. In many areas of organisational research, correlational relationships between study variables cannot truly be treated as causal since an element of reciprocity exist between them. That is, they both affect each other to some degree.

Multivariate techniques, such as multiple regression, do not assume direction when assessing relationships between variables. However, they go some way to controlling for covariance in independent variables, yet the degree of reciprocity or causality cannot be accounted for statistically using such techniques. The relevance of these observations to the series of studies reported in the thesis is that in constructing a model of change sensemaking, some degree of causality is necessarily assumed. However, whilst a priori stipulation of directional relationships is a requirement of regression-based path modelling techniques, it is acknowledged here that many relationships reported in Chapters Seven and Eight, despite implied assumptions of causality, are more likely to be based instead on reciprocity.

4.13. CONCLUSION – BEGINNING THE JOURNEY

This chapter suggested that the epistemological position of the researcher was central to the framework within which this research was undertaken and explained why a ‘weak’ social constructivist position has been adopted here. This approach accepts that the ‘reality’ experienced by employees is being shaped by the meanings they attribute to their socio-cultural, physical and consequently organisational environment but it claims that this does not prevent the achievement of an agreed-upon description of their reality. That is, that truth is not wholly relativist. Furthermore, this chapter assumes that organisations are systems consisting of assumptions and practices shared by their members, and are particular for different organisations, as well as for different work groups within those
organisations. In this context it was suggested that employees use the process of argumentation at the centre of their sensemaking and thinking within organisations (Weick, 1995).

The epistemological framework as well as the conceptualisation of sensemaking as argumentation determined the assumptions underlying the choice of using employees’ accounts of a change initiative. Employees’ accounts have been used in order to explore their interpretations of change and model the way in which they make sense of change situations in their workplace. The epistemology also determined the basic design of the research: a multiple case study design involving in-depth interviews as well as questionnaires. The first case study conducted in a major British university was qualitative aiming to investigate employees’ interpretations of change and to explore the process of organisational sensemaking. The university case study was followed by three quantitative case studies, aiming at providing analytical generalisation to the model of organisational sensemaking. A research question to be addressed in this thesis is how the various aspects of the organisational context are embedded in employees’ processes of change interpretation and sensemaking. Issues related to the use of semi-structured interviews, as well as to how the quality of this empirical study could be ensured, were also raised in this chapter.

Finally, this chapter has begun to delineate the structure of the investigation as a whole, and its presentation in the thesis. As such the three chapters that follow present in full the analyses carried out elaborating, precisely, on the process that employees use when making sense of episodic transformational organisational change and the interpretation categories used. The analyses represent different explorations of change sensemaking and although they are all implicitly related an explicit synthesis is not pursued until the conclusion of the thesis. The reader is invited therefore to treat these analyses as both isolated and complementary, with the reassurance that at the conclusion these interpretations will all be brought together. Therefore, having discussed the methodological issues arising from and framing the present research, the next chapter proceeds with a brief presentation of the academic institution that provides the forum of initial investigation and constitutes the context within which the exploration of employees’ sensemaking process during episodic change had been initiated.
Chapter Five - Thematic Analysis of Interviews

CHAPTER FIVE

THEMATIC ANALYSIS OF INTERVIEWS

5.1. OVERVIEW

To effectively compete, or even survive in market environments that have become complex and turbulent after years of relative stability (e.g., higher education, health care) frequently requires organisations to undertake a process of dramatic, and often traumatic organisational change. Increasingly, this type of change is seen not just at the macro level as a shift in norms, structures, processes, and goals (Ginsberg, 1988), but also at the micro level as a form of ‘second-order’ change (Bartunek, 1984) involving a fundamental alteration in employees' social construction of reality (Berger & Luckman, 1967). This view suggests that transformational change involves, at its essence, a cognitive reorientation of the organisation (Gioia & Chittipeddi, 1991); that is, one that reflects employees’ acceptance of perceptual, structural, and contextual discontinuities that occurs through the shifting interplay of deliberate and emergent processes (Mintzberg & Waters, 1985; Tichy, 1983).

From this cognitive perspective, the success of transformational change efforts depends not only on the organisation’s ability to undergo a radical and significant shift in direction, vision, and values, but also the ability of employees to understand, find attractive and accept a new conceptualisation of the organisation (Smircich, 1983). The impetus of this kind of change often lies with top management who typically are key actors in articulating the need for, and intended nature of the impending change (Smircich & Morgan, 1982; Quinn, 1980). However, it is in the attempt to forge understanding and acceptance of an alternative organisational reality among employees that sensemaking (Gioia & Chittipeddi, 1991; Smircich & Stubbart, 1985; Weick, 1979) and symbolism (Morgan et al., 1983; Pfeffer, 1981) are likely to be critically important (see also Powell & DiMaggio, 1991).

In the past, academic institutions did not had to be overtly concerned with ‘strategic’ change per se. Enrolments were more or less stable and operating funds were more or less
guaranteed either by the government or by other traditional private sources (Keller, 1983). The modern academic environment, however, has brought a disquieting trend toward declining enrolments, reduced funding, and external competition. Thus, many higher-education institutions have entered a period of reorientation, requiring non-traditional types of change to deal with the new, competitive environment (Milliken, 1990). It is in such an institution that the dynamics of employee sensemaking process and cognitive reorientation were studied during the early phases of the strategic change effort, trying to explore how employees understood and interpreted a novel social entity, the new strategic and transformational reorientation, introduced in their organisation. The early phases of the strategic effort were chosen as the best representatives of discontinuity as perceived from a macro level (Chapter Four, Section 4.9.2).

In Chapter Two (Section 2.4), it was argued that transformational organisational change constitutes at the macro level a pronounced discontinuity in the life of organisations (Tushman & Romanelli, 1985). Such a transformation, as opposed to incremental changes that simply adjust an organisation’s existing stance, involves not only the development by top management of a vision of the intended transformation and dissemination of an ‘abstract’ notion of the transformed organisation to employees, but also employees’ understanding of the organisational vision and transformation. Further, given that changes of this nature are seldom brought about by mandate, a process of negotiated social construction occurs (Berger & Luckman, 1967). This perspective suggests that to understand transformational strategic change, it is necessary to examine employee sensemaking processes that serve to create and legitimate the meaning of the change (Dutton & Duncan, 1987).

It was further argued in Chapter Two (Section 2.4) that meanings attached to changes are imposed by categories that employees employ to describe a change (Dutton & Jackson, 1987). Categories are engaged by using linguistic labels. Once applied, labels initiate a categorisation process that affects the subsequent cognitions and motivations of employees. These, in turn, systematically affect the process and content of organisational actions. Furthermore, research on interpretation in business organisations usually presumes that the labelling of changes influences decisions and actions (Thomas, Clark, & Gioia, 1993). Two cognitive categories that dominate the literature on managers’ interpretation of issues that could possibly lead to change are the categories of ‘strategic’ or ‘political’ (Gioia & Thomas, 1996; Dutton & Jackson, 1987; Hawley & Nichols, 1982)
and ‘opportunities’ or ‘threats’ (Daft & Weick, 1984). An issue is said to be strategic if it is considered by the top management to represent a trend, dilemma, or development that impacts on an organisation’s position and performance (Thomas & McDaniel, 1990). In addition to their strategic quality, many issues also represent a forum through which the concerns of managers and groups are expressed, negotiated, or protected (e.g., Dutton, Walton, & Abrahamson, 1989). This political aspect of organisational changes involves shifts in the interests of a set of groups and managers seeking to impose their views on the specific instance (Eisenhardt & Bourgeois, 1988). Finally, an issue is said to constitute a ‘threat’ when it implies a negative situation in which loss (in financial and strategic terms) is likely and over which they have relatively little control (Daft & Weick, 1984; Dutton & Jackson, 1987).

However, it was decided that it might be premature to presume that these interpretation categories would translate directly to an understanding of all employee interpretations of change for the following reasons: a) the above interpretation categories represent top management’s interpretation of issues that may lead to transformational change. The focus of the present work however, is on employees’ interpretation of instances during the initial stages of the implementation of change; b) the study of change in organisations which are not usually confronted with transformational strategic change as their strategies and structures have been long established, is scarce; c) the study of employee interpretation of episodic transformational change is at an early stage and the interpretation categories employees use when they make sense of transformational change have not been explored; and d) the study of change interpretation is focused mainly on managers’ interpretation of change, ignoring the social psychological reality of organisations as well as employees’ overarching identity concerns when they face change.

In such cases, a categorisation schema that distinguishes changes in more general terms may be more useful. Rather than ‘strategic’ and ‘political’ (Gioia & Thomas, 1996), for instance, employees might initially categorise changes as either ‘attractive’ or ‘not attractive’ changes. Similarly, in the case of the academic institution, academic traditions encourage the participatory, consensus-based behaviour and decision-making, which might foster sensitivity to changes that affect the delicate balancing of factional preferences. The dominance of existing change categorisation schemas might be obscuring such change categorisations, perhaps inadvertently resulting in a lack of empirical attention, although such categories might be quite germane to this context.
Consequently, the main research questions were formulated as follows:

- How do employees make sense of episodic transformational change when managing strategic change in academia? What are the main categories employees use when they interpret change? If employees use different categorisation labels for different change instances, what are the attributes that characterise these distinct categories?

- How do employees produce these categorisation labels? What are the sensemaking processes that influence the labelling and categorisation of change? What are the sensemaking processes that provide meaning to the interpretation labels? This research question will be investigated at the second part of the analysis in Chapter Six.

To investigate the first research question a series of 24 interviews were conducted with participants drawn from a major academic institution which had just implemented a new strategic, identity and image programme. Thematic analysis of transcribed interview data resulted in the identification of two overarching thematic categories - attractive and non-engaging - and eleven themes each with sub-elements, used by employees in their effort to interpret the transformational strategic change. As part of a multiple case studies and sequential design, the intention was to use these themes and sub-elements to inform the development of measures of change interpretation in subsequent case studies.

As argued in Chapter Four the advantage of qualitative work is in the depth it allows the researcher to delve into through respondents' own accounts. However, this same breadth of scope becomes problematic at the level of analysis, as quantitative methods are inappropriate and unfruitful when the data is comprised, for example, of interview text. Indeed, as the very richness of qualitative work is in its preference for contextualisation rather than quantification, attempts to secure any positivistic criteria are always going to be a tenuous and perilous activity, thus better avoided. At the same time however, and for the sake of clarity and integrity, it is important to expose how the final interpretation came about. Consequently, this chapter begins with a brief section disclosing the techniques employed in the breaking-up, reordering and interpretation of the interviews for the purpose of analysis. As such, the chapter is split into two broad sections: 5A contains the description of the techniques and tools devised and applied in the analysis (the ‘Tool Kit’); while 5B comprises the actual substance of the analysis itself, the exploration proper through the interview texts (the ‘Journey’).
Chapter Five - Thematic Analysis of Interviews

The analysis carried out on the interviews sought to illustrate, explore and elaborate on the elements involved in the interpretation of episodic transformational change in organisations. The interviews intended to capture employees’ interpretations of the organisation’s reorientation and change by presenting ‘snap-shots’ of lived organisational experience and collating them to explore through employees’ accounts their underlying belief and sense-making structures and interpretations. Consequently, the interviews sought to get behind the ‘representation’ of the organisation’s transformation (this chapter) and to explore the processes at work in the creation and reproduction of its interpretation (next chapter).

5A: ‘TOOL KIT’ IN THE THEME ANALYSIS

The analysis of the interviews was designed to look for commonalities across the accounts, as the sensemaking framework adopted in this thesis suggested that organisational sensemaking is an individually motivated cognitive act as well as an organisationally regulated practice enjoying an organisational sharing that cannot be explained by individual cognition (Chapter Four, Section 4.3.1). The object of attention then in the first analysis of the interviews was precisely how employees accounted for the organisation’s strategic reorientation and how they justified and rationalised their interpretations, beliefs and desires about the change, both retrospectively and projectively. This first analysis sought to elucidate employees’ interpretations by looking at their accounts in a way that permitted the acknowledgement of the commonality of employees’ interpretations, since the while retaining the belief that interpretations are privately motivated.

5.2. THE UNIVERSITY IN CONTEXT

5.2.1. Fundamental Change Within the University Context

The initial stage of the project was conducted at a large, British university consisting of 12 departments and a satellite and telecommunications centre situated in a city in the southwest. Student population is in excess of 9,000. Staff, including research, faculty and administration exceeds 3,000 employees. The university has grown rapidly within the last years. University management has focused on improvements in its support structure such
as student housing, classrooms, office space and information systems. For the past years, substantial capital investments have been made resulting in significant improvement to its physical environment and to the information systems of the campus. In addition, several new curricula were established, particularly in the area of management, electronics, telecommunications, satellites and information systems. The university can be characterised as one undergoing continuous improvement and change in facilities and information technology but relatively stable in its methods of operation, strategy and business philosophy and processes.

During the same period that these improvements were occurring and one year before the initiation of this research, the top management of the university decided to initiate a major strategic change effort in order to change the orientation of the university and achieve cutting-edge improvements to its infrastructure. The stated goal of the change effort was to match internal capabilities with external conditions so that the university would be better positioned to deal with the “realities of the new millennium”. Top management had pointedly noted that ‘strategic’ thinking and planning would be a hallmark of the change effort, to emphasise that the university now needed to see itself as ‘competing’ not only with other universities but also with other organisations vying for public and private funding. The guiding symbolic vision for the change was that of making the institution a ‘top-tier’ university, which emerged early in the change process. The members of the top management team undertook leadership roles and were the architects of the change effort. External consultants were engaged and a new marketing manager was appointed to design and introduce a corporate identity change at the university that would complement the change of strategic orientation.

The orientation toward change had already produced several significant alterations in the administrative and academic structure and actions of the university, including the creation of new schools, the elimination of programmes, the combining of some departments into new school units, the expansion and promotion of a satellite research park, and the pursuit of several large-scale, potentially profit-making projects. In addition, a lot of lucrative commercial tie-ins with corporations were in place. These changes were all relatively fresh and were still somewhat unsettling to various factions within a university that had historically seen itself as traditional, or normative (Albert & Whetten, 1985), in character. These factions remained politically active in trying to influence change actions toward their preferred agendas. Nonetheless, the top management team viewed the university as
“having a momentum for change” and was actively engaged in setting the future direction of the university.

The goals of the change was “... to make this a ‘well-known top-tier university’. Toward that end the management team publicly called for ‘strategic change’: a new, ambiguous term for members of the university and one that was never specifically defined except by examples of intended action (e.g., “We cannot continue to be all things to all people... We need to identify pockets of excellence and reallocate our resources towards the development of those pockets.”). Strategic planning (another initially undefined term) would, in the opinion of management, enable the university to pursue a path of selective excellence. They stated that the focus on strategic change and planning was a necessary first step in changing the philosophy, values, and “mindset” of the university. Finally, within the management team three were the main aims of the strategic change: 1) increased funding, 2) increased private funding, and 3) strategic planning.

The change effort has also resulted in a reorientation toward market competitiveness in the academic arena. It also has led the administration to develop some new profit-seeking ventures of a type that had not previously been identified with the university. As of this writing, acceptance of the strategic change effort in terms of the top-tier notion has met some resistance, particularly from faculty members. Although academic pursuits seem to have changed only moderately, the level of ‘encouragement’ to seek external funding and especially from the industry has gone up dramatically. Also, there are some signs of serious intent to ‘enforce top-tier standards’ at the individual-faculty level. Most notably, academic records that previously would have received tenure and promotion are now being under scrutiny generating pressure and anxiety. As further evidenced, recruiting committees now routinely invoke a ‘top-tier’ standard in deciding upon interview candidates. The final outcome of the strategic change effort, however, will require more time to assess.

5.2.2. University Change within the Episodic Transformational Model of Change

Strategic change, like the programme introduced at the university, is considered to constitute transformational organisational change (Tushman & Romaneli,) especially for organisations who are unfamiliar with the use of strategic processes in the design of their conduct. In the past, academic institutions have not had to be overly concerned with ‘strategic’ change per se. Enrolments were more or less stable and operating funds were
more or less guaranteed either by state and federal governments or other traditional private sources (Keller, 1983; Mortimer & Tierney, 1979). The modern academic environment, however, has brought a disquieting trend toward declining enrollments, reduced funding, and external competition. Thus, many higher-education institutions have entered a period of reorientation, requiring non-traditional types of change to be introduced in short periods of time in order to deal with the new, competitive environment (Milliken, 1990). It is in such an institution that the dynamics of the early phases of a strategic reorientation and corporate identity change programme were studied.

The strategic change introduced at the university as examined from the macro level of analysis involved a redefinition of organisational mission and purpose or a substantial shift in overall priorities and goals to reflect new emphases or direction. It was accompanied by significant changes in patterns of resource allocation and alterations in organisational structure and processes to meet changing environmental demands. As Ginsberg (1988) notes, strategic change has been discussed in terms of changes in strategy content as well as transformations in strategy process. Changes in content typically involved alterations in competitive decisions within particular product/market domains such as price or quality (see also Rumelt, 1974). Change in terms of strategy-making processes involve shifts in organisational culture (e.g. Tushman & Romanelli, 1985), formal management systems (e.g. Ansoff, 1979), and/or structures (e.g. Chandler, 1962). Snow and Hambrick (1980) view strategic change as capturing both dimensions, i.e. as an alteration of an organisation’s alignment with its environment and an attendant modification in processes to conform to the new alignment. Finally, Tushman and Romanelli (1985) argue that this degree of change just like the simultaneous shifts of strategy, structures and processes occurred within the university constitutes a pronounced discontinuity in the life of the organisation. Such a reorientation, as opposed to incremental changes that simply adjusts an organisation’s existing stance was further introduced after long periods of relative stability demanding rapid responses form the part of the institution.

5.2.3. Subjects

In Chapter Four (Section 4.9.2), the decision to use open-ended, semi-structured interviews as a means of collecting information for the exploration of the interpretation of change and the modelling of the sensemaking process was discussed in detail. In total, twenty-four employees were interviewed. Seven of the employees worked in the Social
Chapter Five - Thematic Analysis of Interviews

Sciences Department, seven in the Telecommunications Department and seven in the SMSS (Management) Department. The remaining three respondents were members of the top management team (TM) that were actively engaged in the process of changing the strategic orientation and the identity of the academic institution.

Table 3. Map of the employees interviewed within the Social Sciences, Telecommunications and Management Departments

<table>
<thead>
<tr>
<th></th>
<th>Social Sciences</th>
<th>Telecommunication</th>
<th>SMSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Head of Department</td>
<td>1/7</td>
<td>1/7</td>
<td>1/7</td>
</tr>
<tr>
<td>Administration</td>
<td>1/7</td>
<td>1/7</td>
<td>1/7</td>
</tr>
<tr>
<td>Professor</td>
<td>-</td>
<td>2/7</td>
<td>2/7</td>
</tr>
<tr>
<td>Senior Lecturer</td>
<td>1/7</td>
<td>-</td>
<td>1/7</td>
</tr>
<tr>
<td>Lecturer</td>
<td>3/7</td>
<td>1/7</td>
<td>2/7</td>
</tr>
<tr>
<td>Research Assistant</td>
<td>1/7</td>
<td>2/7</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 3 illustrates in detail the group in which the employees interviewed from each department worked. The number of interviews is indicated in bold, adjacent to the total number of employees interviewed in each group. The age of the employees interviewed ranged from 29 to 50 years. Eleven of these people were women and thirteen were men. The educational levels of the employees varied from college education to PhD degrees. Their length of tenure in the university ranged from 1 year to 15 years. Even though the sample selected is not a quota sample in the strict sense of the term, the selected employees were chosen to be representatives of all the different ranks in the departmental hierarchical structure.

The interviews were collected within a period of four months. The interviews generally lasted from between 30 minutes to one hour. All of the interviews took place in the actual work environment of the employees. During data gathering, several rules of interviewing and qualitative data handling were observed (Spradley, 1979; Yin, 1984; Bourgeois & Eisenhardt, 1988). First, all interviews were audiotaped with the permission of the employees, and were transcribed verbally. Second, the interviews and notes were read and preliminary analyses was done in accordance with a “24-hour rule” to capitalise on the immediacy of the data (Mishler, 1986: 32). Members of the upper echelons of the university that took part in the design of the change process were also interviewed in order to obtain a better insight of the change and the way it was designed. Finally, internal
documents were used, including memos as well as speeches and publicly available
documentation, including newspaper accounts, in order for the researcher to build an
understanding of the change process.

5.3. PRELIMINARY STEPS: FINDING THE THEMES

5.3.1. The Coding Schedule for the Theme Analysis

Firstly, a coding framework was developed. The framework was comprehensive and
sought to capitalise on the content of the interviews directly. Preliminary examination
revealed that employees interpreted organisational change as attractive and as non-
engaging. These were coded accordingly, with the aim of establishing the accounts
associated with these interpretation categories. Some other central topics were easily
exposed, such as image, culture, perceptions of present organisational attributes and
organisational ideals (actual and desired organisational identity).

However, the thematic analysis was subsequently conducted largely on codes pertaining to
the interpretation of change instances (e.g., attractive and non-engaging), to which the
other topics were clearly related. The labels chosen for the interpretation of change
instances (i.e. attractive and non-engaging) were selected as 'topics' when closer
examination began to illustrate that, while the remaining topics (i.e. perceptions of the
organisation's identity and culture/image characteristics) were relevant in disclosing the
particularity of individual narratives, the consistency across the interviews was best
illustrated within the discussion of the interpretation of change instances themselves.

Thus, the broad topics brought out by the initial analysis (change, identity, image, and
culture) were further dissected into contextually and theoretically meaningful codes that
together comprise the coding schedule (Appendix I). For example, under the broad topic,
'change', several sub-topics or categories were identified within the employees' accounts,
which were then split into meaningful codes:

- 'Change Willingness': included accounts of employees' willingness to accept the
  change for the specific instance under discussion and reasons why. The category was
  then split into three codes: 'affirmative' (code: C.Willing A[ffirmative]), 'negative'
  (code: C.Willing N[egative]), and 'undecided' (code: C.Willing U[ndecided]).

- 'Change Assessment': included employees' assessment of change from both a
  Personal, an Institutional, and a Departmental perspective, including positive
  comments, negative ones and neutral ones (for example, codes C.Assess I+
Chapter Five - Thematic Analysis of Interviews

[Institution positive], C.Assess P- [personal negative]), or C.Assess D+ [department positive].

- ‘Change Reasons’: included accounts given by employees of the good and bad reasons about the introduced changes. There were two sub-codes: 'positive' (code: C.Reasons P) and ‘negative’ (code: C.Reasons N).

This analysis produced a total of 45 codes, listed in Appendix I with detailed descriptions. These were classified under 4 broad ‘code-families’ (e.g., change, organisation, culture, image), inspired by the preliminary analysis that brought out the fundamental issues, each comprising the codes and quotations relevant to that particular topic. The result was an organisation of the texts into topics that came out from the interviews. This first stage of the analysis achieved a thorough ‘cutting up’ of the texts (quotations) and ‘pasting’ into an organised order (codes) across the interviews (categories).

5.3.2. Organising the Coded Text as Themes

Once the interviews had been thoroughly coded, the organisational stage of the analysis began. The texts had already been classified on the basis of:

1. topics (e.g., change)

2. categories (e.g., change willingness) and

3. codes (e.g., C.Willing Affirmative)

The next stage involved exploring the quotations abstracted from the interview context with view to establishing common themes that were recurrent and consequently significant. This was done by going through each code-family picking up the themes brought out by the coded text (quotation), and checking its support across all the interviews in order to note down the ‘theme’ of the quotation (for example, ‘Change to which we can aspire’). In this manner, a record could be kept of themes that were popular and themes that were less common. This identification of themes involved considerable interpretative work. As they arose, they had to be modified and worked to accommodate the accounts of a number of employees. Themes had to be specific enough to pertain to one idea but general enough to find incarnations of it through various interviews.

Of all the themes identified, only 35 were incorporated into the final analysis. The organising principle in the selection themes for the final analysis was simply that of counting frequencies which did not by any means quantify the analysis, but merely
provided a criterion for selection. For example, a theme picked up by one employee might be supported by only one other employee, while another theme might be supported by twelve other employees. Preference was given to the more common themes under the assumption that the researcher was looking for common accounts rather than individual narratives or subjective theories (Spender, 1998).

Furthermore, at this early and still highly exploratory stage of analysis the researcher sought to maintain a rudimentary distance from the theoretical interests to give some rigour to the interpretation and systematise her own approach to what constituted a very complex text. Counting frequencies enabled the researcher to do this, and the principle was applied not as a means of ‘validating’ themes, but as a means of selecting the more salient themes within the confines of these twenty-four interviews. For example, the theme “co-operation with other departments supports change” is one that can undoubtedly obtain very strong cultural and organisational support, but only one employee mentioned it. So while it may well be legitimate or at least organisationally relevant, it was neglected from the analysis on the grounds that not enough employees had taken up the issue and no thorough comparisons and deductions could be obtained. As such, the criteria for selecting themes for the final analysis were simply numerical, without intending this quantification to invalidate the themes that were not selected because they lacked salience in these interviews. Care was given to the themes not selected by considering their effect on the general model of change sensemaking (see Chapter Six, where the element of learning mentioned only by one employee was taken into consideration as a significant element of the organisational culture and was further explored during the subsequent case studies).

A theme required the support of at least one fifth of the employees to be incorporated in the analysis. Bearing in mind that a small number of employees covered a wide range of organisational classifications, care was taken that the selected themes did not enjoy prevalence among one class of employees, and that they received support across the various groupings. This added a new level of organisation to the interviews. Having moved from purely descriptive ‘topics’, ‘categories’, and ‘codes’, this fourth level began the analysis proper by abstracting the coded text from its context and regrouping it into thematic headings. The 35 significant themes that were carried into the next stage of this analysis are listed in Appendix II. The next level required organising the themes into a coherent structure that provided a comprehensive summary of all the interviews. For this purpose, a technique was developed which was named ‘Thematic Networks’.

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5.4. EXPLORATION TOOL: THE THEMATIC NETWORKS

5.4.1. Explaining the Thematic Networks

The fourth stage of analysis consisted of making sense of the themes provided by the coded material. Toulmin’s tools for argumentation schemas (1958) (claims, warrants and backings) have been combined with Vari, Vecsenyi, and Paprika’s (1984) technique of inference chains to produce a useful method for organising and interpreting the coded interview data. The final product has been called a ‘thematic network’, for the purposes of highlighting both the aims of the analysis (themes), and the organising principle behind them (networks). Thematic networks consist of a claim, several warrants and several backings, which are illustrated graphically in a web-like diagram depicting relevant links.

Argumentation theory aims to provide a structured method for analysing negotiation processes. Chapter Four has extensively argued that argumentation theory defines and elaborates the typical, formal elements of arguments as a means of exploring the connections between the explicit statements and the implicit meanings in people’s discourse. Toulmin’s terms (claim, warrant and backing) have been retained in this analysis for the organising principle they provide; however, these notions have been substantially modified in this analysis. In addition, Vari, Vecsenyi and Paprika (1984) combine Toulmin’s theory of argumentation with Minsky’s (1975) concept of narrative frames and Schank and Abelson’s (1977) script theory, to introduce a set of analytic tools to facilitate the analysis and exploration of the obstacles involved in problem-formulation and decision making\(^{29}\). These techniques are extremely useful for the framing of interviews, group discussions, documents, and other sources of text that explore the knowledge, understandings, beliefs, feelings, attitudes, interpretations, etc. of information sources – hence their applicability in the context of this study.

Argumentation theory and inference chains, however, only provided the background for the tools developed for the purposes of this analysis. The researcher is interested in looking at the themes that have arisen in employees’ discussions on the strategic transformation and change introduced in their organisation, exploring the implicit

\(^{29}\) Vari et al. (1984) developed the notion of inference chains by employing the categories of ‘actions’, ‘events’ and ‘goal states’ to break down a discourse into recognisable and concise elements. These categories are then joined in sequential sets to make ‘goal-action-event-state’ chains. These they call inference chains, which they subsequently illustrate graphically as inference diagrams. These diagrams, combined with Toulmin’s techniques of argumentation, facilitate the exploration of the formal characteristics of arguments.
assumptions and concerns connotated in employees' explicit accounts. As such, what is
being sought are not schemas of argumentation in the resolution of a 'problem', but
patterns of rationalisation in the exploration of ideals. That is, what this analysis seeks is
not to reconcile conflicting definitions of a problem, but to explicate consensual
understanding of an issue: transformational organisational change. Thus, what is being
sought here is an understanding of the themes and rationalisations employed in the
conceptualisation of transformational organisational change. For this reason, Toulmin and
Vari et al. provide a background logic, but not the final method.

In the context of the thematic networks developed for this analysis, Toulmin's tools have
been reinterpreted as follows:

- **Claim**: A position that is to be elaborated. It is a contention that calls attention to itself
  by a boldness that demands reason or, at least, rationalisation. A claim, in this sense, is
  a statement of belief, an assertion about 'reality' which is to be understood in terms of
  the principles and assumptions, which constitute it. In this way, claims are grounded
  on warrants and backings, which bring together a number of themes under one distinct
  proposition.

- **Warrant**: A concept that contributes to the signification of the claim. Claims are made
  up of premises that justify their validity, and warrants are the principles upon which
  the claim is based. A warrant also encompasses the idea of contention that one or
  several backings propose, thus mediating between a claim and its backing logic.

- **Backing**: A categorical statement, which provides background logic for a claim. A
  backing is a statement of belief or a rationalisation anchored around a central notion
  (warrant) which, with other backings and warrants, serves to signify a claim. In this
  sense, backings comprise the fundamental assumptions of a claim, and they are
  organised thematically as warrants.

The way in which these tools have been conceptualised, means that claims, warrants and
backings are all 'themes'. As such, at a further level of analysis, a backing could in turn be
taken as the beginning of another thematic network and, thus be reinterpreted as a claim to
discover the rationalisation (or themes) underlying this contention. The method does not
pretend to discover the beginning of arguments or the end of rationalisations, but it does
provide a technique for breaking up a discourse and finding within it, explicit
rationalisations and their implicit meaning.
As such, a thematic network is developed starting from the backings and working 'inwards' toward a claim. Once a collection of backings has been derived, they are then classified according to the underlying story they are telling and these become the warrants. Warrants are then reinterpreted in light of their backings, and are brought together to illustrate a single conclusion that becomes the claim. For this reason, thematic networks are presented graphically as web-like nets, to convey the organising principle that creates them, from the outer edges (backings) to the inner core (claim).

For the purposes of this analysis, the 'themes' derived (as described in Section 6.3.2) have been interpreted as backings, as they presented the common threads across all the interviews. From these themes or backings, warrants and claims could be derived that pertain to the interview setting organised by the project's goals, and were consistent across the discourses of the employees involved. These, in turn, were illustrated as thematic networks, which have been designed to facilitate the exploration of accounts and their explicit and implicit agendas.

5.4.2. Applying the Thematic Networks

Four stages of analysis have been described thus far: (1) the topics, (2) the categories, (3) the codes, and (4) the themes. The fifth stage required organising the themes into coherent summaries of the dissected data and thematic networks have been presented as the method of choice.

What this analysis did, then, was to take the themes developed at stage four and use them as backings for thematic networks. It was clear that the themes were rationalisations requiring both interpretation and organisation. The thematic networks provided the tools for this examination. A great deal of interpretative work was done at this stage as the themes do not 'speak for themselves' as it were, and the meaning connotated by the collection of particular themes required both a detachment from the context as well as a deep involvement with the ideas conveyed.

As such, themes (backings) were arranged into common subject matters (warrants), and these were subsequently organised into unifying statements (claims). In this way, webs of rationalisation could be constructed and represented graphically as thematic networks, which facilitated the exploration of signification through themes. However, the process was not by any means a linear one. There was a need to be constantly checking back in an iterative fashion (between warrants and backings, between claims and backings and, of
course between the claims and the coded text itself). Furthermore, there was a need to go further back still, to the source of the quotations at both the level of code and the level of context, which required returning to the interviews themselves. At this stage, there is little point in explaining further the practical application of the thematic networks without bringing in examples of actual usage. The next section of this chapter (5B) describes the full use of the thematic networks, together with the interpretations derived from them and the analysis realised.

5B: THE JOURNEY IN THE THEME ANALYSIS

This section of the chapter deals with the analysis of the interviews. It presents and interprets the thematic networks employed for analysis and begins to make direct connections between the text, the thematic networks, the interpretation and the theoretical purpose of this chapter: interpretation of episodic transformational organisational change. Finally, the discussion provides a synthesis of the whole analytical process and comments on the theoretical implications of the findings.

5.5. EXPLORING THE THEMATIC NETWORKS

The thematic networks illustrate the justifications for and explanations of the ideas, beliefs and desires surrounding change interpretation, as elaborated in the interviews. The reader will see that the distinction between perceptions of an enhanced organisational character30 and a devalued 'organisational character30' is crucial, as each account resulted in a distinct perspective on change interpretation. In the case of attractive interpretation of change, the accounts tended to revolve largely around perceptions of idealisation and the enhancement of organisational character, orientation and image, and issues of functionality and superiority. By contrast, interpretations of change as non-engaging tended to elicit themes of disapproval, devaluation of the desired present organisational character and image as well as issues of illegitimacy of change. The distinction, however, is not a simplistic one, and in each case tensions arise that are the focus of discussion in the analysis.

30 Or otherwise the desired future organisational identity and the present organisational identity, since perceived organisational identity has been defined as what members perceive to be the central, enduring and distinctive character of the organisation (Dutton et al., 1994).
The present section is divided into two subsections. The first deals with the thematic network pertaining to the interpretation of change as attractive, and the second to the interpretation of change as non-engaging. The analysis contains a large number of quotations and the reader may refer to Appendix III for a general description of the employees and their organisational memberships, as these may help contextualise the quote and make the reading of this analysis more meaningful.

5.5.1. Change as Attractive

"I think that the future the change promises, is very attractive... We are not just a traditional and old academic institution any more. We are a dynamic and innovative business organisation showing that we have qualities to get the job done and be respected by the industry (Rh: EE)."

"I do think that this change of the university vision and strategy is very interesting and appealing pulling the university into new directions. And if you succeed in the implementation at the end of day, the university will probably be in an excellent situation (T: SM)."

"We want basically to become a top tier university and to declare to the external world that we are a top tier university. (H: SM)."

"This change finally denotes the passage of academic institutions from a purely academic to a business strategic orientation... I am very fond of the new mission and character of the institution and I can see myself within the new framework" (A: SM).

"It's an attractive and interesting challenge for the university and especially for us. It's appealing to be able to work at a top institution and this is what we want. If we succeed, we'll be very happy people" (Cl: SM).

The strategic reorientation and change of the institution was clearly seen as attractive. The point to note, however, is the warrants, or the precise aspects of this 'attraction' that justify its status as attractive, such that the change is talked about with particular reference to issues of (I) an inadequate present identity, (II) enhancement, (III) an attractive image, (IV) functionality, (V) possibility, and (VI) support of culture, as illustrated in Figure 6.

Before the discussion is turned to the description of the warrants that justify the notion of an attractive change, it needs to be noted that employees who perceived change as
attractive seemed to have incorporated the prospective organisational content proposed by
the change into their identity structures. This incorporation denoted that cognitive change
had started to take place and new organisational identities had started to be constructed.
Employees who perceived change as attractive were found to categorise themselves as
members of the new organisational paradigm. This new organisational paradigm had
become an important reference-identity group which was salient for employees. However,
this issue will be fully explored in Chapter Six.

"I am really fond of the change and I am completely open to this... Besides
it makes us look like we are moving forward, we are a dynamic and
successful institution" (A: SM).

"I find myself thinking and acting in terms of the change... maybe because
it's really attractive, what it proposes, in terms of achieving a status that we
used to admire in other institutions" (Y: EE).

Cognitive change was also evident in the redefinition of the meaning of certain aspects of
identity, i.e. the identity content “we are a traditional and old academic institution”
underwent a change to “we are a dynamic and innovative business organisation”. In this
sense, group beliefs (Bar-Tal, 1990) are elaborated about the character of the new
organisational paradigm as proposed by the change defining the essence of the new entity
which will constitute the principle (Chryssochoou, 1996) for the formation of new
organisational entities. A full elaboration of the process of identity change will be
attempted in Chapter Six.
I. THE INADEQUATE PRESENT IDENTITY

On the issue of the perceived inadequacy of the present identity of the organisation, the strategic reorientation was seen to serve two purposes, upon interpretation as attractive: underlying the present inadequacies, and communicating the message that the university was not yet in the top tier. The proposed organisational orientation highlighted certain appealing characteristics for the future identity of the institution and at the same time it denoted their adoption in the realisation of the vision of becoming a top tier university. The adoption of a top tier vision had led initially to a look inward at employees’ perceptions of the institution’s present central, enduring and distinctive...
characteristics that constituted the identity of their organisation. Employees referred to the university's history, traditions and practices as responsible of bringing the university at this top level, but inadequate to respond to the future organisational needs for growth and further development.

"We are an old, traditional university, with very strong capabilities, and we deserve a top place in the academic community. Actually we have achieved a top place based on our values and hard work, but we need to look forward from now on, if we want to grow even further" (E: EE).

At the same time, employees' perceptions of the university's traditions and beliefs were not positive, especially given the desire of the employees to change in some substantial ways.

"A lot of people around here are not supportive, I could say ignorant about what is going on right now at the university. They resist change, they think it's unnecessary... that it ignores our traditions" (J: SS).

"However, if you believe that this change is necessary, you need to change the way you think about your past, about your history, to realise what you are doing wrong or inefficiently and try to change it" (Ed: SM).

"We need to think better of the university, and all this tradition around here could harm any effort to change" (Mk: TM32).

Employees also referred to the distinctive characteristics of the university which are not capable however of realising the required change.

"It is required sometimes to change even your research orientation, the way you do research if it is to respond to the new changed requirements and demands, even though this has been your strongest point so far" (JI: SM).

"Being a social scientist I understand that I need to change somehow my orientation and explore new ways if I want to get on the right side of those who decide on the funds etc., because it is really a vicious circle... You change and you get support and then recognition and better reputation both for you and for the school" (X: SS).

32 TM stands for Top Management
The concern with the new organisational vision led to employees' consideration of the prototypical characteristics of perceived top universities in an effort to compare the present inadequacies of the organisation's character and define and visualise what a top university looks like. This comparison appeared to make clear to employees that the university is not yet at the top tier, but at the same time underlined the future 'profile' of the university.

"I have an image in my mind of what an excellent university is, actually I have worked in one, and we are attempting to match this. But we are not there yet" (K: EE).

The fact that the change communicated not only the aspiration that employees should think better of their university but also that the university is not yet in the elite circle was a very strong theme throughout the interviews. Employees emphasised their acknowledgement that the university was not yet in the top tier, although by implication it could be and would be if the change effort were successful.

"It is a way of articulating our intent to be, and be seen, as a top and well-known university" (H: SM).

"However, when you compare yourself with truly top universities, you clearly see that you are not one of them, but you would like to be... So what this change tries to achieve is to communicate, and inspire our vision for the future" (T: SM).

They want to show what we are doing wrong, or what we need to change if we want to achieve this vision" (R: SS).

It was important for employees to see the present identity of the university as necessarily malleable, but it was not so easy. Employees' focus on the perceived inadequacies of the present identity was closely related to their perceptions of an ideal and enhanced future identity in order to interpret change as attractive.

"I know there were pressures to change, but change into what?" (Y: EE).

II. ENHANCEMENT

The crux of this signification of change is acclamation. The organisational change in this sense, was used to imply that the issue or concept in question was commendable somehow, so what is labelled as attractive becomes an opportunity, something valuable
and desirable. This warrant contains the issues that portray change as attractive from a perception of enhancing the value of employees’ organisational categorisations. An attractive change in this sense denotes a favourable evaluation of the perceived provisional future identity of the institution; a change proposing a superior, better and preferred end-state.

"The new image and vision of the university is inspirational and is plausible and it doesn’t have to be realistic. It tries to communicate what we want to be as an institution, a top-tier university that understands the real world, and how we plan to achieve it; which is not bad at all, is it?" (A: SM).

"I have an instinct to follow the change, to support it, because it promises a better future for the university and for me as a member of this institution" (Ed: SM).

"The future seems promising. To be honest, even though now I would accept a job offer from a top university, Imperial for example, I don’t think that this would be the case in a few years time" (S: EE).

The above quotes indicate that the attribution of enhancement concerns not only perceptions of the institutional identity, but also employees’ perceptions of the positive impact such a change would have on themselves as members of a developing institution. Furthermore, the proposed change is interpreted as attractive when it proposes desired and valued organisational features. In this sense, the proposed change is perceived as specifying what the organisation should look like in order to achieve a valued outcome in terms of characteristics and attributes. Of course, the proposed change is not always valued positively which will be the focus of the discussion under the Devalue warrant. The proposed features of the university are perceived as desirable when they make explicit the activities needed to acquire them.

"If the university wants to develop it has to react and meet the industry needs first and foremost. And the industry wants us to understand its needs and prepare our students for this purpose. So, we need to understand the industry and this is what it’s emphasised" (E: EE).

"I really believe that our technological orientation and research is important and it will be even more valuable in the future. I am really glad that this change promotes features and values that will make a difference" (P: EE).
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The change is also attractive because it will guide the development of the institution in the future and this could be nothing else but valued.

"We have striven for a long time to become an established and respectable institution, but the process of becoming does not end here. We want more, and we are capable for more spectacular things. And I don’t talk only about individual careers, but also about organisational, institutional recognition and achievement, as a whole" (St: TM).

Moreover, the development of the institution is perceived to match its dynamic character providing coherence from the past and relating change to familiar and valued organisational perceptions. It is the dynamic character of the organisation that indicates an inherent relationship with change in order to actualise and develop its potential.

"We are a dynamic institution... and our attitude is that we never stop achieving and becoming. And this is what is communicated by the change" (J: SS).

In this sense, the proposed change was interpreted as attractive because it even reinforced a sense of continuity in employees’ perceptions even though it introduced a major disruption. It was perceived as the desired end-state of their identity.

"We used to be a good and respectable institution, but after the change we are going to be a leading one" (Rh: EE).

"I believe that the change was necessary if the university wants to keep its reputation as a good university" (T: SM).

"It is a change for further development, compared with a sense of natural evolution, if you know what I mean" (JI: SM).

The idea that the university had to change in order to stay the same reveals the nature of organisational paradox which is inherent in employees’ perceptions of the identity of the institution and its change. Furthermore, the sense of continuity and employees’ perceptions of what is required were reinforced by their perceptions of change in quite ambiguous terms.

"We’ve always been an excellent institution, but in order to continue being one we had to change our ways. We don’t change the way we are, just the way we are going to achieve things" (D: SS).
“The plan is to become a leading institution with a very successful presence in research and teaching community” (P: EE).

Furthermore, the change was interpreted as attractive when employees perceived that it enhances the university’s distinctiveness. And this enhancement in distinctiveness was perceived as positive.

“We are introducing new stuff and the university will have finally its own special character and feeling and it will be known for that” (Y: EE).

“In what ways will it help the university? It will make it work in a way that it never did before. It will make it unique and different from its peers, give it advantage and the opportunity to belong among the best” (P: EE).

However, the above quotes indicate that employees attribute mimetic characteristics to their interpretations of attractiveness. This finding contradicts assertions derived from Organisational Identity Theory (Albert & Whetten, 1985; Ashforth & Mael, 1989) arguing for the positive effect of distinctiveness on perceptions of attractiveness. At this stage of change however, imitating other successful institutions was thought to make the university seem distinctive.

“The way that the whole thing started I think was analysing the strong points of other top institutions, what they are doing best, which were then incorporated into this programme which will make our university be special as well and among the best” (Rh: EE).

It needs to be noted here that due to the unknown exact nature and essence of the change introduced to the university, the mimetic comparisons with other successful institutions constituted a benchmark for making sense of change and attributing its required legitimacy.

“I can’t really explain what the change is all about, but I can say that the aim is to be like the best universities around, probably like UMIST, like Warwick, even like LSE, why not” (K: EE).

“I don’t believe that something completely different and novel has been introduced, rather something already tested in other top universities, and for that I believe that we have chances for success” (Ad: SS).
The change did not only enhance employees' perceptions of distinctiveness but also their perceptions of the organisation's efficacy and their sense of pride and esteem. The notion of efficacy pertained to perceptions of the university as able to achieve its promises and realise the intended change.

"It will give the feeling that it is capable of delivering results, it is capable of change, which really makes a difference, otherwise it will be another failure which I really don't believe it will happen" (M: SM).

"Succeeding in this will definitely make us feel good, it will inspire a sense of achievement and a feeling that we can be trusted" (Cn: TM).

The notion of esteem pertained to employees' feelings of pride closely associated with their interpretations of change as attractive.

"I am quite proud of the university and its management for introducing this change. It makes us look good and work even better" (Y: EE).

"The more I look at the university after the change, and the more I imagine of the future result, the more I think this is a great opportunity" (Jl: SM).

"It is really obvious that the change is going to improve the way we look and the way we operate. It's an opportunity really" (A: SM).

It is evident then employees interpreted change as attractive when it was perceived as enhancing the value of their organisational membership as proposed by the planned change offering self-conceptions of what they would like to be and taking away what was perceived to be inadequate and inefficient. This interpretation was guided by the accomplishment of their needs of integrity, self-knowledge, self-enhancement, and self-improvement as members of the organisation. In this sense, change is perceived as attractive not in financial and strategic terms but in terms that are relevant and enhance the social psychological reality of the organisation. The warrant of Enhancement and its backings will be further elaborated in Chapter Six, as the element of evaluation constitutes one of the most significant stages in the process of sensemaking guiding the possible and prospective organising of identity.
III. THE ATTRACTIVE IMAGE

"It tries to increase the future status of the university by putting together a vision and an image that most of us will try to achieve, because this is how we want to be seen" (K: EE).

The attractive image warrant took the foreground in the data, appearing in a number of forms in the language of the employees, who often interchangeably used such terms as "prestige", "impression", "visibility", and somewhat loosely, "reputation". The ultimate aim of this effort for prestige and reputation was thought to be the development of positive attributions by both internal and external audiences. The issues dealt with the warrant of attractive image included references to the inadequacy of the university image as it was estimated that the current image was one of the most problematic characteristics that needed to be changed. This finding epitomises a direct acknowledgement of the effect of image on employees' interpretations of change.

"What we really want to achieve with this change? Recognition, visibility, and prestige". (Cl: SM).

"Image is important and that... what is missing from this place. If you have the image people say: she is from a good place. And then they look at what you have done. Image is the means to get noticed. This is exactly what lacked from our university" (J: SS).

"We know that our main disadvantage was in the domain of outside recognition; we lacked complete visibility" (JI: SM).

The attractiveness of the future image was strongly associated with the development of external distinctiveness that could result in positive and favourable comparisons of the university with its peers.

"I look at some other schools, and I have a hard time believing, from what I read and what I know of the schools, that they really belong ahead of us, or that they are really more established than us. That's what we need to work for... we need to show what we are doing and what we can do" (Rh: EE).

"Right now, reputation and visibility is the goal. Because we have established ourselves as a top university but we were not visible and distinctive enough to
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be distinguished from the other universities. This was a major problem, which is addressed by this change programme.” (Mk: TM).

It was also apparent that employees interpreted change instances as attractive when they associated them with the attractive future image of the university.

“What we are trying to do is to try and achieve the university's drive for prestige in becoming not only a top-tier but also a recognised top place” (Cl: SM).

“When you are looking at this type of change, strategic, image or even corporate identity change, you ask yourself: What would a top-tier university look-like? That’s how you consider all the changes that you are going to deal with” (P: EE).

A very strong argument in this warrant was the idea that employees did not see image at the expense of substance, but rather they assumed that internal substantial changes led to the design of attractive images.

“This change is related to the quality of the institution and its image” (Rh: EE).

“If the change was trying to promote an image that was not backed up by reality, it would be a complete disaster, and no one would buy into it” (Cl: SM).

“We want to be seen as a major player, and for this image I am willing to work” (Ed: SM).

“Internally, it will provide a goal for all to achieve, if we want to be a top-tier university” (Rh: EE).

It is evident then that employees' interpretation of change as attractive was based on their perceptions of the effect of change on generalised others, the community and social/organisational groups within which the organisation is embedded, denoting the social construction of their interpretations. Employees engage in internalised conversations between their selves and the perceived others using their perceptions of external image. The above quotes also indicate that employees assume that the acceptance of the future image may lead to subsequent substantive improvements. The underlying logic was that an attractive image would motivate a change in substance, in the
organisation’s character that would produce a desire for quality improvements, thus facilitating the proposed reorientations and the strategic adaptation to the changing environment.

IV. FUNCTIONALITY

On the issue of functionality, the interpretation of organisational reorientation as attractive (as discussed in the context of changes resulted from the strategic change initiative) was seen to serve three purposes: meeting organisational needs and objectives, future planning, and being beneficial, wholesome and trustworthy.

The first backing characterises change as attractive because it meets the organisational needs and objectives.

“I think that this change was necessary as we are heading towards a new more business oriented reality in academia, and we had to react. We have the capabilities, we have a vision and now we know how to achieve it” (T: SM).

“I think there was definitely a case for change since the university didn’t have such a distinctive image. In that sense, I even understand the whole corporate identity programme which may seem really silly to others and to me sometimes, but it was necessary if we wanted to be more broadly known” (J: SS).

“When you have to meet changes in the industry, and the academia is an industry..., you need an appropriate plan to meet them, you have to change yourself and to communicate your change to your prospective ‘customers’, whether they are students, companies, the government for funding, and the whole society” (M: SM).

The above quotes indicate employees’ awareness of a need to be addressed making employees active to the change which was met by the required and corresponding end result rendering change attractive.

“I can buy into this change because it offers what we need as an institution... it’s not irrelevant... it corresponds to the university and responds to the demands and needs of the industry we are in” (Ed: SM).

In this sense, the fundamental substantive change was perceived as attractive as it was believed to meet the active organisational needs in the most appropriate way providing a
desired future intended result. Employees perceived change as attractive when a) there was something active / attractive in the change and b) the function relating what was active and attractive to the desired result was considered to be appropriate. In other words, employees were ‘enrolled’ in the proposed change and were willing to act in ways that are consistent with what they see as attractive.

In general, employees who talked with positive terms about change, found it fairly difficult to talk about change without considering future planning in order to meet the organisational needs and objectives.

"It tries to define how the university plans to serve the society more generally" (Pt: SS).

"It serves as a symbol for the stability in the pursuit of our future objectives, just in case that we forget what our goal is... The truth is that when we plan for the future, we need to see how it will look like, and this is the purpose of this change" (Mk: TM).

"It is a means to show that we can react and that we can achieve our claims" (A: SM).

This has very interesting implications on notions of strategic direction that an organisational transformation can inspire. It becomes clear that it could symbolise what the organisation wants to become in order to meet external environmental or industry demands as well as organisational needs and objectives and how it is going to meet these needs. It becomes in the eyes of employees a symbol of organisational efficacy through its functionality and appropriateness in meeting needs, goals and objectives.

The second backing supporting the Functional warrant that characterises the organisational reorientation as a desired and attractive change, is that of being a beneficial, wholesome and trustworthy change.

"If this change achieves its strategic goals that initiated it, it will give a great advantage to the whole institution" (Rh: EE).

What is also implied is that such an attractive change is harmonious with the whole organisational system that is a living whole and that it is congruent with the actualised cycle within which everyone exists. Something attractive contributes to the cycle, it fits in with the prospect of existing and creating, and in doing so, it is valued positively. The
attractive gestalt that the change proposes, which was seen to embody earlier, is called upon once again as an anchor for approval on the grounds that it is inherently good.

“I don’t know, people argue about that, don’t they? About what’s good for the university. Like when you say that something is good for the university it means that it agrees with its ideal, its desires” (Ad: SS).

“Well, it’s like when you dream all day of eating an orange; when you eat it at the end of the day you feel its energy. However, if you don’t find an orange but a McDonald’s instead you never feel anything apart from hungry” (J: SS).

What is good for the organisation – good for its future and for the employees themselves – is ‘nourishing’ and energising, and everything else is simply manufactured compromises.

“I think that a lot of things in here are compromises, really, just to say that something is moving, and I think that compromises are meant to be broken. They have no value in themselves” (X: SS).

Change in this sense is viewed in opposition to that which is purely manufactured, away from the organisational substance, with the aim of derogating the latter by painting it as artificial, unnatural and unhealthy.

“...I think that if the proposed change talks about things which aren’t, which are bad for the university then it won’t feel good... if the change proposes things which are bad for the university in terms of what is actually valued and is actually working in the university, whatever, then it won’t feel good. You will notice it, and in that sense you’ll be asked to do something that’s unnatural for you and the organisation. It degrades you” (JI: SM).

It is this sense of the change as representing the organisation as a living whole, that gives it legitimacy in the eyes of the employees and gains their support.

V. POSSIBLE

This warrant contains the issues that portray change as attractive from a perception of possibility and feasibility. It was made clear in employees’ accounts that the notion of possibility affected their interpretation of change as attractive. The accounts indicated that there is a pool of ‘possibilities’ revealing how employees think about the potential future of the institution against which change is being assessed. This point will be further explored in Chapter Six.
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The first backing refers to organisational potential. Here employees assessed whether the proposed change is feasible, within the potential of the organisation.

“I do remember thinking from the beginning not only about what we are going to achieve with all these, but also whether it is possible... or just managerial and marketing jazz” (J: SS).

“Sometimes, management even in universities, plan and hope for changes which are clearly out of the question; they are unattainable. However, this whole thing about our university being a business organisation, an ‘enterprise’, is not that far from what we’ve been doing so far” (JL: SM).

The notion of potential refers to intangible as well as tangible organisational attributes and features. Employees were referring to both “who we are” and “what we are doing” as an organisation in their considerations of possibility.

“Even though I believe that the university is an academic institution, at the same time I see it as a business and economic institution as well. I was always thinking what would look good for the department, how we could attract more students, more funding, and so on, and I suppose it was always in my mind... it wasn’t something strange” (M: SM).

“You can be an academic institution and at the same time have a strategy, just to remind you of the direction, or of some of the possible things you can do. Because you can be a very good researcher and teacher, and have excellent links with companies for student placements, research funding, etc. It’s what you add to your repertoire that makes the difference” (Rh: EE).

The notion of possibility seemed also to serve as the instrument for the evaluation of the core present attributes that seemed critical for everyday understanding and functioning.

“When you see that what is in front of you is good and possible then I don’t see why not. Thinking of what is possible makes you think quite differently about what you are doing. Of course, you need to see them first...” (Ad: SS).

Employees also showed that this notion of potential serves as the mechanism for transformational change in the organisation. Employees personalised the proposed change mainly by comparing what is proposed with what already exists making judgements about its feasibility. These judgements entailed assessments of whether the proposed change is
possible in the near future. Assessments of feasibility were closely related with employees' mainly perceiving the core character of the university in quite abstract and general terms, for example as successful, competent and effective. In this way, they viewed the core as remaining stable, preserving thus a perception of continuity, while they perceived the context of the possible expressions that surround and embed the core as mainly transformed. In this sense, it was the meaning of employees' views that had changed markedly enabling the transformation.

"We've always been successful, and effective and we have tried hard for that through our traditional ways... However, what has changed now is the way of trying to be successful and well-known. We used to do it through research, we'll still do it through research but also through partnerships with industry, as it is the official line! But we'll still want to be successful" (S: EE).

The present backing, which is very interesting on its own, must be read with reference to the second theme in the Possibility warrant: it is possible but this possibility is also aspiring for the employees.

"Talking about our partnerships and liaisons with companies... I am really looking forward to it" (Ed: SM).

"I wouldn't even think if it is possible, if I didn't like it" (X: SS).

"It's a completely different thing to say, well it's possible and I love it, I want to be and look like that, and a completely different thing to say, yes it is possible but I hate it, it will make me worse than how I am right now" (J: SS).

All these ideas about what is perceived as possible for the organisation to be, to think, or to experience provide a direction and impetus for action, change, and development. Perceptions of future possibilities can be viewed as cognitive bridges between the present and future, specifying how organisations may change from how they are now to what they will become. When certain organisational conceptions are challenged or supported, it is often the nature of the activated future possibilities that determines how the organisation as a whole will be perceived and what course the subsequent action will take.

**VI. SUPPORT OF CULTURE**

The fact that change was hard work and required the support of culture was a very strong theme throughout the interviews, as employees emphasised their acknowledgement that it
is not easy and they need support, even within the desired and attractive. First and foremost was the issue that for the change to work will require effort both from the employee and the organisational parties. It is not an automatic process that simply unfolds with the passage of time, but requires organisational support and facilitation.

“However, it’s not straight forward; change is not easy, even though you know that this is a good opportunity for the university, it’s still not easy” (D: SS).

“I think, to make the change work... the most important thing, besides the fact that you must like the change, is support; real, honest support. And I think that’s the really hard thing to do, for everyone” (Pt: SS).

Concessions would have to be made, compromises would have to be reached, agreement would have to be sought – and that is in addition to the more ordinary efforts of wanting the same attractive results.

“You’ve got to work a lot of things out, to overcome the fears that any change could generate, and sometimes it’s not easy, especially when you are used to a specific style of working; then it can be rather difficult. But with the necessary support from the university, when it’s clear what it wants to achieve, you can try and work it out” (D: SS).

The most significant factor in this Support warrant was the organisational support and facilitation that employees demanded in their effort to accept and enable change. As members of the university they felt that the university as an organisation has a responsibility to support them in order to create change. The need to receive information regarding the change is what realises this sense of support from the part of the organisation; the act of communication itself highlights the gravity of the new initiative to both the organisation and its employees. It becomes no longer just an administration affair, but an organisational that represents the university as a whole.

“Informing us about what needs to be changed makes everything more clear and easier, it is easier to accept the change because you understand it. You understand that this is not just an image change...” (Cl: SM).

“I remember when they were working on the change, there was the need to communicate with us, our department, even though they hadn’t finally made
their minds up... they didn’t let the vacuum to be filled with rumours and half truths and lies. Which it was really appreciated” (Rh: EE).

Communication was thought to be essential for the reduction of resistance, in terms of activating what is needed and addressing it in an attractive way for the employees to support and follow. The employees of the university needed to be aware of what is happening and how the impending changes are going to affect the organisation overall and their personal situation specifically.

“I think I needed to understand in as much detail as possible what the new situation will look like and then help. And I don’t mean promotional crap, but real things. Besides a lot of resistance is not necessarily irrational. It may come from inability to understand. That’s why you need information and support” (J: SS).

“It is easier when you understand what is important for the organisation, your department and yourself. And the only way to do that is to be informed, and know where the change is heading and where you fit in, because otherwise you just defend your own space” (X: SS).

Moreover, employees who interpreted change as attractive perceived communication as a twofold procedure, where they had the right to talk about what the organisation is doing wrong. And it is this feeling that they could participate in the change process that made them feel valuable members and contributed to the personalisation of change.

“...then you feel as a valuable part, when they share all this information with you, and ask for your comments, no matter if they change anything at the end of the day” (Ed: SM).

The notion of communication seems to denote one more meaning for a number of employees, that is, communication to external audiences of the achievements of the university as a means of communicating its vision and mission for the future.

“The other thing is... you’ve got also a marketing change with all these communication and advertising efforts. Having ceremonies and things like that and having everyone recognising that you are doing something well” (T: SM).
5.5.1.1. Summary of the Change as Attractive Claim

An attractive change, then, is considerably more complex than simple enhancement alone. It is made up of contrasting perceptions of an inadequate and demands for an enhanced organisational membership. In the case of the thematic network of attraction, it was shown that employees’ perceptions of the inadequacies of the present organisational attributes to meet current and future organisational needs, as well as the attribution of enhanced value to their membership were the catalysts for the interpretation of change as attractive. Change was perceived to encompass future-oriented beliefs and a vision for the university based on the proposed mission and strategy about what is desirable: “This is who we want to be”. Moreover, the role of image seemed to play an exceptional role in the interpretation of change as attractive, as it provided a lever for widening the gap between the inadequate present and the superior and desired future identity. Furthermore, exactly because the proposed change seemed to be possible and attainable, it did not increase stress to change and consequently led to positive interpretations.

According to the present thematic network then, change is interpreted as attractive when it is considered to enhance the value of employees’ organisational membership. Employees’ perceived the change as enhancing the value, distinctiveness and efficacy of their membership without threatening the integrity of their taken-for-granted and core assumptions. Moreover, employees’ construed external images played an important role indicating the effect of interaction even perceived interaction with generalised others on the interpretation of change.

At the same time, the thematic network indicates that employees engage in a change which they find functional as it is perceived to create a possible future to which they are attracted and can relate them to the desired result. Furthermore, the notion of functionality is also conceptualised in strategic terms by employees denoting especially the importance of beneficial and strategic future planning. In this sense, change is interpreted as attractive for the organisation both as enhanced perceived organisational images and as strategy. Finally, the concept of cultural support is also important. Employees said they needed information and communication support structures as a prerequisite to make sense of the change and interpret it in attractive terms. Moreover, communication was felt necessary for providing the very simple but fundamental function of making not only the arguments about the change, but also the necessary paths for the realisation, more transparent.
Summarising, according to the present thematic network, organisational change is interpreted as attractive, if it is considered to represent a trend, or development that affects an organisation’s position and performance in a positive and desired way. This type of change however, also involves matters other than tactical or operational concerns as it provides an enhanced and attractive future organisational identity to employees. Finally, because of its complexity, such change is open to multiple interpretations, which means that it is not ‘prepackaged’. Rather employees identify and formulate change by selectively attending to some aspects of what it signifies and ignoring others. Overall, for change to be interpreted as attractive and engage employees in its realisation, it should be perceived as being feasible and within the potential of the organisation. Feasibility judgements entailed assessments of whether the proposed change could work for the organisation in the near future given differences in the overall existing character and orientation of the university.

5.5.2. Change as Non-Engaging

The next thematic network pertains to the arguments employees proposed when they did not find change engaging. In addition to the idealisation and the interpretation of change as attractive seen in previous claims, here employees adopted a critical stance and interpreted change as non-engaging. It is imperative to note that employees were able to adopt both discourses, that of attraction and that of non-engagement and criticality, depending on the change instances they were analysing and their perceived impact on the organisation and their department. However, this was not the case for all employees, as the majority of the employees who came from departments which were not highly valued and widely promoted by the change programme mainly interpreted the change initiative as non-engaging. Nevertheless, there was a strong point of view that advocated the interpretation of change as non-engaging among those who also supported it. This is due to the fact that employees had the chance to talk about different change instances arising from the change initiative. In this sense, this inconsistency is really due to the implementation of change as a set of practices and not to the philosophy of the change itself. The warrants for this claim pertained to (I) convention, (II) devalue of the organisation, (III) illegitimacy, (IV) no support, and (V) impossibility, and they elaborate the contention that change may well be interpreted as non-engaging (Figure 7).

Furthermore, as Chapter Six will make explicit, employees who perceived change as non-engaging seemed not to have incorporated the prospective organisational content proposed
by the change into their identity structures. In this sense, the provisional identities activated by the proposed change did not inspire the elaboration of new future organisational identities. This lack of incorporation denoted that cognitive change had not started to take place and new organisational identities had not been constructed. The new organisational paradigm did not constitute a meaningful entity for the employees who were supposed to compose it, and thus consequently, they did not perceive of themselves as members of the transformed organisation.

“When I think of the change I can see how it works in other institutions but not in ours” (Ad: SS).

“I can’t see myself in these terms, I never referred to the university as a corporation or an enterprise... I don’t know what it means...” (J: SS).

“We don’t belong in an institution which ignores our history and our strengths... it’s not the way we want to be and be considered... it’s not something we can be proud of” (Ev: SS).

The absence of self-categorisations to the proposed organisational paradigm is evident here, which leads to the conclusion that employees did not really feel to belong to this new organisational category. In this sense, the proposed organisational beliefs and characteristics were not further elaborated in order to help the formation of new organisational entities and motivate cognitive change.
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Figure 7. Thematic Network for Change as Non-Engaging

1. CONVENTION

This thematic network pertains to the arguments employees proposed against transformational organisational change. In addition to the idealisation seen in the previous claim, here employees adopted a critical stance and it is imperative to note that this warrant was created with the same interview data as the Functionality warrant. Clearly employees were able to adopt both accounts, that of idealisation and that of criticality, and switch back and forth between them, depending on the change instance they were discussing. The warrant of Convention elaborates the contention that the organisational change may well be obsolete.

In this warrant, the employees spoke of the conventional aspects of the organisational change that problematised its attractive and desired status. In particular, they spoke of change as something unnecessary for the organisation:
"I just don't understand the whole concept of it, I find it unnecessary. I don't think that there was a specific need for change. They said that we need to adopt a new mission in order to generate more money, get more funding, but we are doing very well financially... They say we should attract more students, but we have one of the largest student communities...So, what should we change?" (Ev: SS).

"I do feel that this is not the way to put goals and organise activities to eventually achieve your goals, in academia. You don’t need a new visual image to achieve that" (J: SS).

Largely, what was emphasised was a confusion as to why it was necessary in the first place to initiate and formalise a transformational change initiative in the university. In this sense, employees did not perceive any underlying need for the change. Changes are initiated by specific institutional needs, they contended, and not by fashion orders. Changes in organisations are not initiated by the modernisation of the logo and organisational symbol:

"Besides, I don't think there was any need for all this buzz" (J: SS).

"What has changed in our university? Nothing actually. It’s the same thing with a different wrapping" (Ad: SS).

Along the same lines, that nothing has actually changed, the organisational change had been conceptualised as a case of relabelling the present.

"I don't understand the reason behind this change, because it seems to me that nothing has actually changed, only the headed paper and the format of the letters, which is rubbish, this is not change" (X: SS).

"In reality, they didn’t change anything, they didn’t propose anything that we are not. We are a top university, we understand the real world, we work successfully with industry, as they say, we are well known among the academic community...We just were not fashionable... And they had to relabel the university, in order to be more attractive. But at the end of the day, nothing has actually changed... That’s why, as I told you, I don’t really pay any attention to this whole change effort, and I throw all the relevant junk immediately in the bin. (J: SS).
“The university did not have to promote logos such as ‘We understand the real world, etc.’ as if the university is not the real world. We didn’t have to spend so much time and effort in this whole change effort” (D: SS).

The conceptualisation of change as convention indicated that there was nothing active in the change. In other words, change agents could not make the change attractive because employees did not believe that there was any need that had to be addressed. However, even when employees perceived that there was an actual need for change, they viewed the proposed intended changes as artificial in some way:

“I don’t suppose you need a new visual image or a piece of paper to say that you have actually changed, or that the others will see you as a different academic institution; I think... somebody should introduce some real changes in academic and student recruitment, in administration, in the way we teach, the support we receive, if they want to talk about change” (D: SS).

In this sense, they didn’t view what was on offer in a positive light arguing that this is not what needs to be done in order to deliver the desired results. Furthermore, the artificiality of the change was also related to the unrealistic claims of distinctiveness (for more extensive elaboration see warrant Devalue) it proposed in comparison with other universities.

“They say that we are doing something special, something that noone else in the academic community is doing, or at least that we are doing it in a very special and distinctive way; however, no matter how they want to present us, we all do the same thing” (J: SS).

Artificiality was seen to erase some of the genuineness of the university functioning by loading it with formal definitions:

“I think it is just a new logo – if it takes a new logo to change you and the way you work? Do you know what I mean?...” (K: EE).

“I think if it has any effect at all, this new logo, etc., changing the symbols or changing the presentation of the university is actually destructive of anything that could exist as a desirable thing...it weighs you down with a whole set of expectations, which you are not ready to meet” (Ad: SS).
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What these employees are concerned with is the celebration of meaningful and real change which is different from the perceived present identity of the institution. Modern organisational life, according to this warrant, is dynamic, uncertain and subject to continuous change and such visual formalisations are clearly managerial conventions that contradict any real change efforts:

"I think it’s unrealistic for management to plan for a change, or base their change effort on just visual means, ignoring that what needs change is the way we do things and not just the university’s image" (J: SS).

The above warrants and backings present an explicit stance against change as convention. It is conceptualised mainly as an artificial change initiated by top management, where "nothing actually has changed" and no gap has been created between the present and the future. This point of the perceived identity gap will be further elaborated and developed in Chapter Six, where the process of the sensemaking of change will be analysed in more detail. At the same time it deprives the university of any chance of actual change. It is not accidental that most of the change instances that had been considered as conventions had to do with visual and logo changes, which had not been supported by internal, substantial organisational changes. Furthermore, they represent a stance against the meaningfulness seen in the Functionality warrant where, it may be recalled, the change was considered as the correct, desired and necessary choice.

II. DEVALUE THE ORGANISATION

The crux of this signification of change is demerit. The adoption of the new strategic orientation and top tier vision had led to a look inward at employees’ sense of their institutional identity, as manifested in references to its history, traditions, symbols, core features and ‘philosophy’. However, in this case, the change in question was thought to devalue the perceived identity of the organisation. Change in this sense was associated with disapproving judgements and appraisals that could not inspire perceptions of engagement.

"This is not who we are. And if they don’t pay attention at our strengths and promote them, how do they expect the community to estimate them and offer us the well-desired students, funding and prestige? And then how can we ourselves buy into that change?" (Pt: SS).

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The implication here is that the devaluation of employees' organisational membership and its end-state starts with the failure of the change effort to recognise important, core organisational characteristics and promote them.

"Is it so easy to ignore your history, traditions and values and try to imitate something clearly worse? Actually, it is quite silly. And the thing is that you don't even understand that you are better. Because what I see happening is that they devalue our strong features instead of promoting them and try to replace them with non-existing ones, which are not only superficial, but also quite difficult to achieve" (Ad: SS).

"The way they communicate this change implies that we want to develop these qualities, which is not the case at all... they propose something which is completely different from what is well-established and important around here" (R: SS).

"...So instead of promoting the university as something new and developing, which is not true and also underestimates our history and effort all these years, why don't they say to everyone that this is who we are and that we are trying to develop ourselves even more along these lines?" (Ad: SS).

It is apparent that the proposed change challenged employees' perceptions of their organisation's identity by calling into question the merit or importance of core, distinctive and enduring organisational traits associated with their institution. For example, in emphasising applied research as a primary evaluative criterion for the success of the new strategic orientation and the institution's vision, the change initiative implicitly challenged the value of many departments' research tradition.

"The longstanding research mission and tradition of the department is about fundamental and not applied research. And this is what you are really known for in the academia at least in our discipline. Applied research brings you the money, it doesn't give you reputation and prestige in the research academic community" (X: SS).

Moreover, dimensions of the university's identity that were not included in the change initiative were perceived as less important and perhaps even irrelevant as indicators of the university's performance of quality.
“A significant dimension of the new organisational vision is to emphasise a technological orientation which, however, is not consistent with the orientation within the social sciences. It talks about applied research and partnerships with industry and commerce; however, those characteristics are not valued here. Even more, we think about them as those elements that could thwart the department from further development, from becoming an international leader in research” (J: SS).

“I don’t care if the aim and the vision is excellence in teaching and in research, because teaching is not valued. And you can see the panic when you have to prepare ourselves for the teaching evaluation. It’s not something that we value. On the other hand, research is our main advantage, and whoever comes here does not benefit from a balanced excellence between research and teaching as they want to promote, but they benefit mainly from research. Because students are taught mainly what we have researched ourselves” (Ad: SS).

Besides, the new vision and strategy of the university did not seem to fit in with the traditions of the institution disturbing in this way employees’ sense of continuity.

“They say that we have a little ‘hardening of the arteries’ in how we deal with change, but we really like the way we are. We are strong, we are one of the top universities in social research in the country, so, why change?” (J: SS).

“If I am not mistaken, and according to the history and tradition of the university, we are an academic and not just an economic institution, and I don’t believe that any of these will get us to think better of our department, our work and our institution” (X: SS).

It was made clear however, that it was not only the perceived character of the university’s identity that was an important consideration in interpreting change instances, but that the strength of these perceptions about the university’s identity also affected current or emerging understandings of key changes.

“People here have very strong beliefs about what they should do and what they shouldn’t, about what they are working for… which means that they may react negatively to a change trying to affect these beliefs” (Mk: TM).
In addition to challenging the university’s desired core characteristics, the change was perceived to devalue the positional status of the institution.

“We are not no 1, but we think that we are at the top tier... especially at international rankings. We are established. However, this new image makes us look like a new university, like a polytechnic that tries to legitimate itself and attract students and funding” (Ed: SM).

A formal comparison with the new universities was deemed to undermine organisational distinctiveness, esteem, and efficacy, because of the negative way in which the new universities were represented:

“... they don’t deliver high standard results in both teaching and research terms” (Ad: SS).

It was clear that some employees were not willing to leave their current conceptions of the institution’s identity behind in favour of the new organisational vision and strategy.

Employees’ perceptions of the institution’s distinctiveness acquired meaning vis-à-vis inter-organisational comparisons that provided the figure-ground contrast for articulating and crystallising a unique identity, sometimes on the basis of only very subtle distinctions. The proposed change however, was perceived to devalue the established distinctiveness of the university, as it demonstrated to its internal constituencies that the organisation imitates its competitors, and it does not stand out from them, and from the noise that surrounds it.

“I believe that as a university we had a distinct identity and history... However, what they seem to have done is write down the names of successful universities, analyse their strong points and imitate them. In this sense, we are not doing anything different. Even more, they are always going to be a step further, while we would always try to imitate them. How can you be proud of something like that?” (J: SS).

The change did not only challenge employees’ perceptions of distinctiveness but also their positive evaluations of the university and their perceptions of organisational efficacy. It proposed an organisational character that employees could not be proud of.

“I am quite negative about this because I am not proud working for a university undertaking a face lift. I find it quite ridiculous and I am not really
proud for it. The fact is that I don’t talk about it with anyone outside the
university, ... and I don’t know why. Possibly because I don’t care, or because
I am ashamed? I don’t know” (D: SS).

The inability to perceive the change in positive terms was tied in with employees’ beliefs
that the organisation’s actions cannot produce desired results. In this sense, perceptions of
reduced organisational efficacy were also salient in employees’ accounts of change. The
notion of reduced organisational efficacy seemed to underpin the perception of the
organisation as not ready and unable to deliver on its promises.

“I don’t think that the university, as a business organisation, will make this
happen. I don’t believe its management is capable to address these issues
successfully. They say that it may happen in three years... No, I don’t think
so” (R: SS).

“Besides I don’t think that it will be realised. The probability of this change
actually happening is inappropriately high” (J: SS).

Finally, it is important to note that such perceptions of devaluation are not limited to the
organisational attributes. Perceptions of devaluation also inform employees about their
self-concepts as members of this institution and the domains of change.

“The problem with this area is that we don’t believe in image making and
impression management. So, when the people outside the university learn
about all these, they may find so ridiculous all these efforts of projecting the
right image, or even an image that is so polished and unattained, that it makes
them laugh. And they don’t only laugh about your workplace but also about
you” (JI: SM).

The Devalue warrant then explicitly indicated that employees who perceived the change as
devaluating the core and valued features of the university as well as its positional status
interpreted changes as non-engaging and were not willing to incorporate the prospective
content into their identity structures.

III. ILLEGITIMATE

In this warrant, employees spoke of the illegitimate aspects of the change that
problematised its attractive status. In particular, they spoke of specific change instances as
changes, which were not appropriate within the institutional values and beliefs in academia.

“This change is not supported by the tradition in academia and I am surprised that they plan to replace the academic values that support the function of this institution with image and vision practices that have no substance. Have they forgotten who we are, as a strong, traditional, long-standing and established university?” (Ev: SS).

“These practices are needed in organisations that just want to be promoted and establish their place in the ‘market’ without building on their substance” (J: SS).

Largely, what was emphasised was the underestimation of the substance and values of the university, which have established it as a major academic institution, as well as the values that govern the strategy in academia in general. It was further emphasised that the substance of the university was mainly connected with perceptions of a desired present identity, its existing central attributes and values and its distinctive history. In this case, a change, which was not trying to build on desired existing values and beliefs, on the existing character of the university, was perceived as illegitimate. Organisational legitimacy represents a generalised perception that an organisation is behaving appropriately according to some culturally shared definitions of what is appropriate (Suchman, 1995).

Employees’ perceptions of illegitimacy were further supported when they considered that the explanations provided for the change relied on abstract arguments, without reference to particular problems and concrete examples, which they could not easily associate with and comprehend.

“I don’t understand the need that urged the specific change. And I don’t buy their sophisticated arguments that we need to understand the real world. What does it mean? What should we do that we are not doing?” (J: SS).

In part this may be a reaction to the commonly held view that strategic reorientations and corporate identity changes are not directly relevant to the business in academia. However, it may also reflect a tacit realisation that the acceptance of the new strategic orientation required tailored explanations that were not only plausible but meaningful for everyone and ‘real’.
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“I’ll tell you what happened. They realised the problems and they said ‘right, how can we help solve this problem? And they went along saying this new wonderful image and strategic vision is going to do all these things for you’... but I am not interested because it’s not real for me, it has no meaning whatsoever” (J: SS).

It is imperative to note, however, that employees did not link the abstractness of the new vision itself with a non-engaging interpretation, as they felt free to interpret it in any way they felt convenient. When they saw the new vision as abstract, they perceived change in more positive and attractive terms. However, it was the abstractness and incomprehensiveness of the arguments that tried to justify the change effort that initiated the illegitimate interpretations.

In addition, the change was perceived as illegitimate when it was thought not to address the need for which it was designed. In this case, even though employees were persuaded and appreciated that there was an actual need that had to be addressed, it was the change initiative itself, which was judged as illegitimate, because it did not address the need for which it was designed (Suchman, 1995).

“I know that we had to change. I believe in this new business orientation, because this is the only way to attract good students and good employees. But what is this change all about? How can they possibly think that by changing and modernising the university logo they are going to make the university more successful and respected? Something else is needed, and it’s not a logo and image change” (X: SS).

In addition to change being conceptualised as inappropriate within the values and beliefs in the academia, it was further proposed that the change was of marginal significance to the well-being of the university and the pursuit of its mission.

“This new idea underestimates our strength and our further development as a traditional university and it highlights a modern academic context, which is really not valued in our circle (meaning the circle of social sciences)” (J: SS).

“What are the benefits of this effort? I couldn’t say. I don’t see any. However, what I can say is that it was adequately sold to other departments, but not to ours” (D: SS).

Furthermore, the whole change effort was thought not to represent the university as a whole, something that contributed to its conceptualisation as illegitimate and produced
non-engaging and negative assessments. In this case, the legitimacy of the change effort was strongly linked with the exclusion of some departments from the priorities of the new strategic plan and the visible prioritisation of some others. It was mainly perceived to include some losses for some departments, without providing the desired advantages for the time being.

"Where is our department in this change? It is not represented at all. And I am really bored and upset listening all the time about the Satellite Centre and other high tech stuff" (Ev: SS).

"They make you feel as if you don’t worth anything for the institution and that you get your money from the success of others. And this becomes a vicious circle because if you don’t bring money you don’t get support and further funding, and without those you don’t bring any money yourself... you know what I mean? In these terms, it is obvious that they try to prioritise some departments in a very obvious way, and it is difficult to accept that you are not within their priorities" (J: SS).

"The journey that the 'Enterprise' is undertaking is meant to serve as a role model in this process of 'improvement'. However, when you are so different and when you have already developed as something obviously different, how can you become something else? And why?" (D: SS).

It is imperative to note that all the above backings received considerable less support from employees of departments or groups highly visible and highly prioritised. Most of the employees from these departments mainly perceived change as attractive and highlighted its functionality (see Functional warrant, for further justification).

However, even some employees from departments that were highly visible, perceived some aspects of change as illegitimate, when they devalued or overlooked cherished dimensions of their identities (For further exploration of this issue see Chapter Six).

"We are widely known for our innovative and highly focused management programme. And I am upset about the change programme, because it doesn’t mention the changes that have already taken place and it makes us sound like we are standing still" (M: SM).

Finally, we need to note here, that the notion of legitimacy takes a completely different character from its character within the impression management field (Elsbach & Sutton,
Employees perceive change as illegitimate when it challenges their perceptions of its appropriateness within the institutional values and beliefs, the value of its arguments and its significance for the well-being of the institution, rather than their perceptions of the organisation's external legitimacy.

IV. NO SUPPORT

In contrast to the support of the change as attractive thematic network, the matter of support here pertains exclusively to its absence. As was the case earlier, the support received from the organisation, especially in terms of communication and the sharing of information clearly affected employees' accounts on change, and even more than before as here the matter became a concern and an organisational deficit.

"It's not that I resist to the change or that I don't want it. I want it eventually, but in order to support it, I need to understand more about it, I need to understand the reasons behind it and where we are standing as a department and as an institution" (Ad: SS).

The main reason behind the feeling of not understanding the change is that it was not well communicated to the employees. Even though they believed that they had received quite a lot of information about the change in general, most of it was perceived as junk, and it did not help their understanding.

Even further, employees made clear that the information they received excluded their part in the change as a whole, as a department, which was closely linked with perceptions of overlooking and devaluing their work and their place in the university. Moreover, these perceptions for the majority of the employees were quite personalised. It was as if the change was devaluing themselves personally in the eyes of their colleagues in other departments.

"I am so fed up seeing just images of the satellite centre representing the university. If this is just a technological university they should say so. So, I throw everything in the bin and I am calm. Probably, I am in a state of denial, but I am really sick of being thought as someone that doesn't work that hard merely because they don't know about my work and my achievements" (Jl: SM).

This quote makes clear that the feeling of not being supported by the organisation and not being included in the effort has one more very important implication. The employees
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seemed to stop seeking information to learn about the change, adopting a stance of denying the change and what is going on in other departments.

The second backing moves away from the deficits of communication somewhat and again gives precedence to the source of their organisation-hood: their culture. A strong reason for interpreting change as non-engaging was simply because it was not included in the cultural example, that comprised the context for sensemaking in the organisation.

“It’s our values that don’t support this kind of change. It’s not our way of working and functioning” (X: SS).

“We are not a company to have a fashionable corporate identity. We are a research and teaching institution based on excellent research and quite good teaching” (Ev: SS).

“We are a research department doing fundamental economics research. What this change implies is that we should act as a business school, generating our own money from partnerships with industry. But we really deny that role, we don’t want it, because this is not who we are, what we value and how we want to earn our living” (JI: SM).

Equally, there was concern over traditional cultural values, which contained a much more loaded account that went beyond simple pragmatism.

“I feel as though there is a decadence of the university’s values. People are more fickle I think, they want change, they don’t have the same sense of the university as some years ago” (Ad: SS).

It appeared to be as much a nostalgic concern with the breakdown of such values, as it was a concern about the maintenance of tradition. Cultural values, it seems, justify the standard, because that’s the way it’s always been, because they instil respect. There is no elaboration on how this might happen or why it cannot be achieved in other settings. The point here is simply an unabated defence of culture and tradition.

V. IMPOSSIBLE

This warrant looks at instances that the employees described as impossible outcomes that could never happen and which made them feel they cannot engage to the change initiative. One of the principle arguments that made employees think of the change as impossible, was that they thought of the change as unattainable and overoptimistic.
"I really don't think that we are ever going to be what they declare we are" (D: SS).

"I think of the university as a three-leg lion. It is a lion but something important is missing there for it to be the king of the animals. And there isn't cosmetic surgery in animals" (Ad: SS).

The second backing supporting the warrant of Impossibility was that employees had never thought of this kind of change. It seemed that employees who perceived that the change proposes qualities which were clearly different from the organisational repertoire interpreted change as impossible and unattainable.

"What they are declaring is extremely different from what we are now and I think from what we can become or from what we want to become. And it is quite stressful", (J: SS).

It is this feeling of organisational stress (Reger et al., 1994) that makes employees interpret change as non-engaging and makes them not to commit to the proposed 'desired' outcomes.

5.5.2.2. Summary of Change as Non-Engaging

The thematic network of non-engaging does not contradict the previous claim on change, but rather complements it, denoting that the same change instances may be interpreted as non-engaging and not just as attractive by different employees in the same organisation.

According to the present thematic network, change is interpreted as non-engaging when it is considered to mainly devalue the perceived core and important present features of the organisation and challenge employees' perception of continuity as it devalues the institution's strong history and traditions. The new paradigm shift also challenged the previous taken-for-granted and positively valued assumptions about the distinctive (Albert & Whetten, 1985) and efficacious (Breakwell, 1986) organisational attributes as well as about the organisation's positional status.

Furthermore, the present thematic network establishes even more the notion of a feasibility in transformational change by indicating this time the type of changes perceived as conventions and unattainable. On the one hand, employees who perceived that the change did not introduce anything new to the organisational repertoire interpreted change as unnecessary and non-engaging. As it argued above, it is the celebration of meaningful and substantial change that motivates employees' favourable interpretations. On the other
hand, change perceive to be departing substantially from the established way of being and operating interpreted change as unattainable and consequently non-engaging. The thematic network also indicates support for the effect of the notion of legitimacy on non-engaging interpretations. A non-engaging change was perceived not to be appropriate according to the institutional values and beliefs, not contributing to the university's well-being and not being relied to comprehensible arguments and causes that justify the change. Finally, employees' perceptions of the deficiency of organisational culture and communication patterns to support the change reinforced their interpretations of change as non-engaging.

5.6. DISCUSSION

The analysis so far has developed a framework for understanding episodic organisational transformation from the viewpoint of employees. The present work indicated that employees interpreted episodic strategic change as attractive / non-engaging, rather than strategic / political or even opportunity / threat, categories that are mainly found in the management interpretation literature. The present interpretation categories were based on sound social psychological foundations of categorisation and labelling (i.e. they are founded for example on the notions of identity, image, devaluation and enhancement) suggesting that they may be more appropriate to the context studied here since the aim was to explore the social psychological reality of organisations. Furthermore, the present exploration took place in a context that featured an organisation and organisational members who were relatively unfamiliar with strategic reorientations and corporate identity changes that are so common in other industries. Moreover, the transformation occurred in an episodic and discontinuous way after a long period of relative stability where employees had to respond and interpret change very quickly. For this domain, organisational members did not use the strategic / political or the opportunity / threat labels. One might therefore see this finding as an artefact of the domain studied, and indeed it might be. However, the theoretical social psychological foundations of the above interpretation categories suggest that these labels may well be used as interpretation labels in the sensemaking of transformational organisational change in similar organisational contexts.

The notions of identity and image were central to employees' perceptions of the organisational change as their perceptions of devaluation and/or enhancement of their organisational membership and image affected employees' interpretation of the recently implemented organisational change. In this sense, the present work contributes to the
understanding of episodic transformational change by adopting a meso level of analysis and revealing the way employees interpret change. It furthers the existing understanding by providing a 'grounded' exploration of employees' enactment of an intended change through their interpretations revealing their overarching concerns to the notions of identity and image. In this sense, the present work provides a valuable insight into the possible processes involved in managing change addressing in this way the dynamics of change which will be further explored at the following Chapter (Chapter Six).

5.7. CONCLUSION

In this Chapter, the intention was first to open up for scrutiny an understanding and application of Toulmin’s tools for argumentation schemes (1958) (claims, warrants and backings) as well as Vari et al.’s (1984) technique of inference chains, so that its suitability for the present case study could be judged by other researchers. Furthermore, this chapter provides insight into the systematic breakdown of the data into manageable units of analysis for the purpose of uncovering the interpretation categories employees use when they make sense of episodic transformational change in their working environment. Understanding the content of these interpretation categories was the main focus of the current analysis. The purpose of the next Chapter (Six) will be to investigate the processes employees use in order to interpret change as attractive and as non-engaging through the construction of their arguments. In this sense, it provides evidence for the process of sensemaking.
CHAPTER SIX

DEVELOPING A PROCESS MODEL OF CHANGE SENSEMAKING – GENERAL PROCEDURE

6.1. OVERVIEW

The first part of this chapter, the ‘Tool Kit’, is devoted to the presentation of the procedure followed from data collection to the construction of the sensemaking model and the argumentation analysis of the accounts of change captured during a transformational change initiative in a major British university provided by employees. The focus of the first part of the chapter is on the provision of precise definitions of the units of analysis and coding; the emphasis put on these definitions is justified in the context of enhancing the credibility of the present research. Details of the interview process are also provided.

The second part of the chapter, ‘The Journey’, discusses the analysis of the accounts of change provided by employees working in three departments in the university, as well as the accounts of the members of the management team that were engaged in the change process. The discussion is enriched with interview extracts in order to show how the model describes all possible courses of the sensemaking process employees have reported making when encountering a change situation.

Frequencies are estimated for each of the patterns identified in the model of change sensemaking. The discussion of these reported frequencies is intended to highlight common patterns of sensemaking across employees interviewed, as well as across employees of the three different departments. The model of change sensemaking evolved enabled the detection of how, and the extent to which, the organisational context is portrayed in the way in which employees of the three departments make sense of the change situations they encounter. The model holds onto the premise that the particular

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33 Employees and organisational members will be used interchangeably throughout the thesis.
34 It has been argued in Chapter Two (Section 2.4) that the notion of process is inherent in the conceptualisation of sensemaking. Therefore, any reference to sensemaking for the remaining chapter will include the notion of process.
organisational context in which change occurs has implications for the way in which employees make sense of change in the context of their organisation and their department.

6A: 'TOOL KIT' IN THE ANALYSIS

6.2. DEVELOPING A PROCESS MODEL OF CHANGE SENSEMAKING

The most obvious difference between the findings of the university case study presented in Chapter Five and the existing literature on change interpretation was in the use of attractive / non-engaging cognitive categories, rather than the expected opportunity / threat categories or the strategic / politic categories as well as the content of the categories used. The analysis of the data led to the belief that these categories pertain to a fairly general or coarse-grained level of categorisation and labelling (Rosch, 1978) more appropriate to the context studied here. They also distinguish issues in more social psychological terms and capture employees' overarching identity and image concerns. The context studied here featured an industry, an organisation, and members who were relatively unfamiliar with transformational change and strategic reorientation that is common in the business arena and among management teams. One might therefore see this finding as an artefact of the industry and the group of employees studied, and indeed it might, but if so, it is significant because it suggests that taken-for-granted categories from the management literature do not necessarily translate well to other domains and other populations which are being called to interpret transformational strategic change.

The first research question was to study employees' interpretations of episodic transformational change when managing strategic change in their organisations, as already explored in Chapter Five. The second research question was to study how employees make sense of transformational change constructing its meaning and interpretation. In Chapter Two (Section 2.4) it was argued that sensemaking is the process of developing or applying ways of comprehending the meaning of new information, of translating change events, developing models of understanding, bringing out meaning, and assembling conceptual schemas among members (Dutton & Jackson, 1987) as it involves the fitting of information into some structure of understanding and action (Gioia, 1986). The second research question, thus, remains: "What are the dynamics involved in constructing the
understanding and interpretation of change as attractive and as non-engaging?" "What are the dynamics in constructing new understandings in the embryonic stages of a strategic change effort where change is thought to be radical?" The investigation of this research question will ultimately lead to the development of a model of the process of episodic change sensemaking. Additionally, if an attractive interpretation and understanding of transformational change involves the change of employees' interpretative schemas (Ranson, Hinings, & Greenwood, 1980; Bartunek, 1984), the investigation of this research question will lead to the exploration of the processes that lead to cognitive reorientation and reframing.

6.2.1. Distinguishing between Units of Analysis and Units of Recording

Chapter Four (Section 4.10) argued for the necessity for the qualitative researcher to ensure the clarity of the path she followed from data collection to data analysis. For this reason, an 'objective' and 'systematic' approach was attempted when coding and analysing accounts of change instances, as a means of enhancing the 'credibility' of the research project. In order to ensure objectivity, precise definitions of the units of analysis and the units of coding were given so that, if any other researcher set out to analyse the same material, s/he would obtain the same results. The approach was also 'systematic' in terms of following consistent rules, which enabled the researcher to analyse all accounts of change instances according to the same categories of analysis. Having consistent and content-specific rules, when selecting the units of analysis (i.e. accounts of change instances) from the rest of the information included in the interview transcripts, as well as when identifying and coding the interpretations of and responses to change described in these units, led to the standardisation of the procedure followed throughout the present case study.

Content analysis was used as a means of analysing the interview transcripts. This research technique has been used widely in the social sciences. It constitutes a systematic and objective way of identifying specified characteristics within a text (Holsti, 1969). Hence, any content analysis calls for a distinction between the unit of analysis and the unit of recording, as defined and used in the context of the particular research. The unit of analysis is a unit of text. For this part of the analysis, the units of analysis were those interview extracts in which employees were referring to the change situation (i.e. accounts of change instances).
Within the units of analysis, which were included in this analysis, more text units could be identified and further analysed. These units are referred as units of recording. Units of recording are also text units, which represent specific parts of the content, and which are placed only in one given category. In other words, they are separately analysable segments of a unit of analysis (Krippendorff, 1980). For this part of the analysis, units of recording were statements of understanding, constructing the meaning and responding to change instances, which reflected employees’ sensemaking of the changes reported. The following sections are devoted to a detailed description of the units of analysis and units of recording, as defined for the purpose of the present analysis.

6.2.2. Definition and Identification of the Units of Analysis

The units of analysis for this study were accounts of change instances, as reported by the employees interviewed. These instances were stories that had a beginning and an end. As in other types of accounts, an account of a change instance usually started with an initial statement regarding what it was all about, what had actually changed, how it was before, how the change initiated, why it changed, what’s the purpose of the change, who was involved and how it was characterised (i.e. interpreted and perceived). These stories could be either very long or short, depending on the willingness of the employees to reconstruct change in a detailed way.

In order to identify the accounts of change and extract them from the rest of the information included in the interviews, the interview transcripts had to be read carefully. In these transcripts, a variety of information would be found (e.g., personal information, details about the kind of work employees performed in the department, general information about the institution, and so on). Even though all this information emerging from the interview transcripts was valuable for the purpose of the analysis, particular attention was paid to identifying those instances in the interview transcripts where employees would give a story of a change situation in their institution, as well as in reference to the department they were working in.

In general, the accounts of change were usually easily identifiable from the rest of the interview information surrounding them. The reason was that these accounts most often came as an answer to the priming question “could you describe an instance or a situation that has been changed after the implementation of the new strategic programme?” After

35 An exception to this are some change instances which were coded as partial (see Section 6.2.2.3).
having given a (rich, or, less detailed) account of such a situation, employees would often stray away from this topic of conversation and refer to other issues (e.g., general comments about their personal situation in the institution, or the general situation in academia, or even generalised comments about change situations and the way they handle them), which were not included in this analysis. In other occasions, employees would refrain themselves from any further comment, until they were primed either to give more information regarding the particular instance, or refer to another change instance, which they could recall.

Coming back to the units of analysis, the present analysis included only change instances that were perceived as a result of the strategic reorientation programme. Moreover, the present analysis incorporated instances that effected both the employees' departments and the organisation as a whole. Even though the analysis focused on change instances that affected the employees in their day-to-day work and behaviour in the university, change instances were also included where the employees were not personally involved. The decision to treat interchangeably both change instances enacted by the employees rested on the fact that, at this stage of the analysis, the interest was focused on the process that led to the interpretation of change as attractive or as non-engaging, which takes place in any change situation.

Having tape-recorded and transcribed the interviews, the units of analysis were identified in the transcripts. In total 124 distinct units of analysis were identified and further analysed with the aim of modelling employees' sensemaking of change. Table 4 illustrates the distribution of change instances included in this part of the analysis across the three departments. The following sections are devoted to providing further explanations of the notions of actual-hypothetical and complete-partial changes, as defined in the present study. The presentation of examples taken from the interviews will illustrate these definitions further.

**Table 4. The distribution of the change instances included in the analysis**

<table>
<thead>
<tr>
<th>Department</th>
<th>Actual Change Instances</th>
<th>Hypothetical Change Instances</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>E&amp;E Dept.</td>
<td>18 (3 observed)</td>
<td>10 (3 observed)</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>(1 partial)</td>
<td>(1 partial)</td>
<td></td>
</tr>
<tr>
<td>Management Dept.</td>
<td>15 (1 observed)</td>
<td>19 (3 observed)</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(3 partial)</td>
<td></td>
</tr>
<tr>
<td>Social Sciences Dept.</td>
<td>9</td>
<td>15</td>
<td>24</td>
</tr>
</tbody>
</table>
6.2.2.1. Actual Change Instances

As it was argued in Section 6.2.2, actual change instances constituted the main part of the analysis. Actual instances denote the specific change situations that had already been initiated at the time of the interview as experienced by the employees. For a change to be coded as an actual change instance, there should be indications, from the reconstruction of the change, that the change reported is anchored at a certain point in time, as well as at specific references to outcomes. Consequently, the change reported is anchored to a particular change outcome; something that has actually changed. Instances where employees were constructing an account of a particular change, even though they failed to relate it to an exact time were also coded as examples of actual changes. The following extract taken from an employee working in the management department is an example of reference to actual change:

“Once I was talking with a colleague trying to understand the new visual image of the university... And this is something that has actually changed. The new symbol of the university has become more dynamic and adaptive to the needs and character of every single department, while the old one was more traditional, more static and rigid... it wasn’t us really” (H: SM).

6.2.2.2. Hypothetical Changes

Change instances were coded as hypothetical, when there was no reference (in the reconstruction of the instance by the employee) to either a particular point in time or a specific outcome. Usually, these changes entailed future language such as ‘if-then’ or ‘in case that’ statements (e.g., if the change will be implemented, then...). The following interview extract is one of the hypothetical changes reported by an employee from the Social Sciences department:

“It all depends on the implementation of the change... If the image change is successful, in terms that it merits what we’ve done so far, then the new image of the university will suggest a positive change...It will give the so beloved
prestige and reputation... If not, it will be just another management effort to justify their salaries..." (Ev: SS).

It is evident that this employee talks hypothetically about a specific change and its outcome, even though the interpretation and evaluation of the change appears to be drawn from the schemas she holds for making sense of situations.

6.2.2.3. Complete versus Partial Change Instances

In Section 6.2.2, it was argued that accounts of change instances (both actual and hypothetical) are stories, which have a beginning and an end. However, employees would sometimes give a detailed report only for a part of the entire change, without providing adequate information about their interpretation of change as a whole, or about earlier and later parts of the change. Therefore, the notion of ‘partial change’ alludes to references to change instances which were incomplete.

Even though, in these cases, employees were usually primed to give a more detailed account of the specific change instance, there were times when they failed to produce a complete story. In such cases, the change instance has been included in the analysis; however, the process of sensemaking was coded only for that part of the change on which enough information was provided to enable the researcher to trace the pathway followed by the employee when encountering the particular change instance in question. For instance, an employee of the Telecommunications department referred to a change instance in the following way:

“...When I first heard about the visual change, and it was still in the design phase, my first thought was whether it had actually ever crossed my mind...and I realised that, oh yes, it has actually crossed my mind, we need a distinctive image, it is part of our effort, part of the university and above all it is possible and easy to implement... You always think if it’s possible in such cases... even if they remain only on visual terms” (S: EE).

In his account, this employee had not given enough information about how he finally interpreted the change (whether it was interpreted as attractive or as non-engaging). The report has focused only on the interim stage of assessing the reason for as well as the

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36 Partial changes could denote either actual or hypothetical change instances.
possibility of, the change. In this case, the process of sensemaking was only coded when assessing the legitimacy and the degree of possibility of the proposed change.

6.2.2.4. Generalised Interpretation Statements

In the previous section, reference was made to partial change instances where the interpretation of change is reported in an incomplete manner, which thus restrained the researcher from examining the sensemaking process used in those parts of the change instance, which were not fully described. However, even though the information provided was partial, employees reported at least half of the story. On the contrary, there have been plenty of instances, where employees would make generalised comments on change, while failing to incorporate such comments into any kind of detailed report about a change instance (actual or hypothetical). For instance, an employee from the Telecommunications department makes the following comments when reflecting in general about change situations in his workplace:

"Such changes are mainly considered very appealing from the management point of view, regardless their final outcome" (S: EE).

The interpretation in this brief extract does not actually allude to any particular change; rather change is talked about in a generalised way, and outside the context of any sort of structured change instances. Rather than forming part of a change instance, these comments are illustrative of the way that employees generally interpret changes in their workplace; for this reason, generalised comments on the sensemaking of change were not included in the analysis.

6.3. ANALYTIC TECHNIQUES

6.3.1. Definition and Identification of the Units of Recording

Having identified the accounts of change instances (which constituted the units of analysis) from the rest of the information provided in the interviews, the next step was the analysis of the change instances themselves. The primary concern when conducting this analysis was to ensure consistency regarding the way in which each change instance was coded. In this way, any change instance included in the analysis could be coded in the same way by another coder. This would contribute to the reliability of the present research.
The procedure for identifying the units of recording was as follows: each account of a change instance was carefully checked in order to identify all sensemaking statements, (included in that particular extract) that employees used to structure, perceive, understand and label the change instance in hand as non-engaging or attractive. For instance, these sensemaking statements could be references to the assessment of the end-state of the proposed change, the assessment of its possibility to occur or the degree of its desirability.

Focusing on one particular change instance at the time, all the sensemaking statements included in the employee's account of this instance were identified. Then these statements were grouped together in the sequential order, according to which they were described in the employee's account. As discussed in Chapter Four (Section 4.6), when giving an account, the individual makes an effort to construct an integrated story of a sequence of events. In these attempts, s/he usually structures the events in a sequence, even though it is not strictly chronological. A close examination of the sensemaking statements collected for each unit of analysis illustrated that the statements (which were quoted closely together in any particular stage of the employee's account) denoted one particular manner by means of which to make sense of the change. For this reason, once those statements were identified and grouped together, they were then coded in terms of the interpretation labels identified and discussed earlier (see Chapter Five, Section 5.3.1).

Having completed this procedure and coded all units of analysis, each change instance and the sensemaking process that led to its interpretation was examined once more, in order to saturate the proposed categories of interpretation (that is, to establish that the sensemaking statements assigned to a particular category did indeed correspond to the working definition of that category (see definitions of the interpretation labels, Chapter Five)).

Below, two units of analysis are presented (i.e. change instances) and it is illustrated how the units of recording were identified (i.e. sensemaking statements) in each of these changes. The sensemaking statements identified are presented in italics.

1: "The first and most obvious change I can think of was the change of the university's logo and symbol; and this happened for the first time at the university as a result of the new strategy. I think, it was a legitimate and necessary change at that time, because, as it was advertised, we had major

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These statements referred to various 'events': from initial awareness of the change and definition of the situation as a change instance, to assessments of the change instances, to evaluations which lead to the acceptance of the change or its interpretation as non-engaging.
recognition problems as a university (A Case for Change). There was actually an anecdote around here saying that we are terribly misunderstood with Sussex! And I believe that it's an interesting and appealing change and it will give a competitive advantage to the university (Change Interpretation: Attractive). Mainly because it tries to address the university's problems, and especially its recognition and image problems in the most efficient way (Appropriate Change). As a matter of fact, we have already seen some results from the feedback we get from the new recruits we interview and the news are really reinforcing. So a new strategy as well as a marketing and communication programme was proposed that inspired a vision for the future because we really liked the way people responded to this new image and they responded very positively. (Change Initiative)... However, when you think about it you see clearly that you are not still there, (Actual-Ideal Discrepancy), that even though you are strong you are not what you would like to be for your own career and for the university's standing, (Salient Future Identity)... we are not like Oxford and we know it. However, we definitely feel that we can do it (Assessment of Possibility). It is feasible and it's only a matter of time, even though I think that we can make it happen sooner than expected. In fact as I told you before something has started to change not at the standing of the university of at the standards of our recruitment, but mainly at our feeling about the place. That's why the point of its success lies at the fact that it presents a dynamic future for the university, it presents an institution where everyone would be proud to work for and study (Assessment of Attractiveness of Future Identity). Because if you come from a top and established place they think that you are excellent as well. The problem with Surrey was that even though we were quite established, we were not as known as other universities of our class. With this change however, our reputation as a special place will be improved (Enhancement). And I feel that this is quite appealing, (Change Interpretation: Attractive) if we will manage to work for it and support it” (Ed: SM).

As discussed in Chapter Four (Section 4.9.2), an account usually started with a reference to what had changed, how and why it started. Similarly, in the account presented above, the employee starts with a brief description of the change instance she is referring to,
giving at the same time a reason that justifies the change. In this regard, the first set of
sensemaking statements was grouped together under the (technical) heading 'a case for
change'. The phrase ‘... created an image, denoting our strengths, and a vision for the
future’ implies that the employee felt that the deficit had been addressed with the
establishment of ‘a change initiative’, which resulted in the change instance in question
and which promised to address and solve an existing problem in a desired way. The
change initiative addressed a discrepancy in the employee’s perception between the
inadequate present and the promising provisional future identity\(^{38}\) of the organisation
planned by top management as it is shown in the phrase ‘...you are not still there...’,
which led to the assessment of the provisional identity content as a desirable end-state
‘...you would like to be for your own career and for the university’s sake...’ and resulted
in turn in attractive perceptions of the future identity of the institution. An even further
stage in the sensemaking process of change is also indicated by the phrase ‘...you
definitely feel that you can do it... It is feasible and it’s only a matter of time...’, which
means that an assessment of how possible this provisional identity is (i.e. ‘assessment of
possibility’) has taken place in the sensemaking process of the employee. The next step
followed by the employee would be to assess the attractiveness of the prospective content
of the organisation’s identity as proposed by the planned change (‘assessment of
attractiveness’), as indicated by the phrase ‘...it presents a university where everyone
would be proud to work for and study’. Finally, statements like ‘I feel that this is quite
appealing […]’ clearly indicate the final stage of the sensemaking process with the
labelling of the change as attractive, as reported in this account.

So far, the rationale for identifying and making sense of the information presented in
employees’ accounts has been explained. Next, what has been explained in writing will be
presented graphically in Figure 8.

\(^{38}\) The notion of provisional future identity will be explicitly explained in Sections 6.4.1 and 6.4.2.
When they first started to plan the image and communication change effort at the university, it was assumed that the university lacked the necessary and well-deserved visibility in its field, even though it was well established, and especially the satellite centre. At the same time, they published that they wanted to bring the university into the new millennium, so they thought that this was a change to transform and 'modernise' the strategy of the university, (Awareness of a Case for Change). So, they launched the new image and corporate identity for the university and prioritised some departments along with some other changes, (Assess Change Initiative) I'll talk about these later, in order to address the university inefficiencies and remedy them even though these terms were quite new and strange for all of us. What does strategy mean, or even strategy change, and especially for such a well-established, old and traditional university? (Salient Present Identity). However, when you look at what actually has changed from all those things that used to characterise the university, its history, what makes it special, you conclude that 'nothing has actually changed', only the headed paper,
which also causes a major inconvenience to our work (Is it Discrepant from Present Identity?). They trumpet that we need to follow and realise these changes, however, the work in this department shows that we have been acting in this way for so long. So, what has actually changed? (Analyse Situation). Nothing, it's just a relabelling, it's just a change of wrapping to make us more fashionable (No Actual Change; Same). But at the end of the day, it's who you are and what you are doing that counts. And we are doing exactly the same things, so I think that the whole effort caused only inconveniences to our work, no actual change, (Artificial) and at the end of the day, no one needed it (Non-Engaging) (R: SS).

Example 2 also refers to a change instance resulted from the university reorientation and change initiative. In this example, the employee’s assessment of the change in the beginning of the account evolves in a similar way as in the previous example. The assessment of the end-state of the proposed identity becomes apparent in the employee’s account when she is assessing the difference between the present / past and the provisional future organisational identity. She assesses what can be seen as the central and distinctive characteristics of the institutional identity in the past, and how these will be transformed as a result of the change. She is wondering, for example, whether something “has actually changed”, and when she concludes that the change was actually artificial because of its ineffectiveness, she interprets the change as non-engaging. That is, in her account nothing has actually changed in the organisation from what it was perceived to be in the past. So, in this account, the employee provides more information about what happens during the sensemaking process, and at the end of the account she gives a different label to the change: i.e. ‘non-engaging’. Finally, even though, at the beginning, the way that the employee makes sense of the change instance bears similarities with the previous example (example: 1), the final stage of the process differs: this time, the change instance was interpreted as artificial and non-engaging, since it was thought not to differ at all from the established way of being and functioning.
6.3.1.1. Developing the Process Model in Practice – A Cyclical Process

Empirical social research often takes the form of an ongoing process, during which the researcher clarifies, refines and elaborates precisely the object of her study (Jorgensen, 1989). This open-ended nature of the fieldwork study better describes the researcher’s own experience when generating the change sensemaking model from the accounts collected. Specifically, during the initial phases of analysis, the researcher would go through the interview transcripts iteratively over and over in an attempt to understand the meaning of what was said. In this way, possible relationships and common patterns in the data could be traced, and thus the material could be arranged in some sort of ‘meaningful’ order. At this stage, the researcher was guided by a general appreciation of the nature of the problem.

Once the units of recording had been identified according to the procedure described in Section 6.3.1, the sensemaking statements were then reassembled in such a way that the process followed in the course of a given instance was graphically illustrated. In this way, a graphical representation was devised of the process followed by the employee interviewed when making sense of the particular change instance analysed (see Figure 8 &Figure 9). Having devised 124 graphical representations, or ‘mini-models’, of the
change sensemaking process, as reported by employees in the 124 units of analysis gleaned from accounts, the possibility of similarities in the elements included in each of these mini-models was investigated. A thorough examination of the graphical representations (produced for each change instance analysed) indicated the existence, to a great degree, of common patterns in the way in which employees made sense of different change instances. The next step was to find out whether these ‘mini-models’ could be incorporated into a more global process model, which could illustrate the processes involved in change sensemaking. For instance, using the change instances presented above (i.e. examples 1 & 2) as an illustration case, the two graphical representations could be incorporated in the following model. The graphical representation presented in Figure 10 is slightly modified in order to provide a more accurate representation for both change instances presented in the previous section. The node ‘identify degree of difference’, which did not appear in any of the earlier graphical representations, was added in Figure 10 in order to account for the fact, that employees, talking about the change instances, estimated the degree of the discrepancy between their perceptions of the present and future identity of the organisation differently at some interim stage of the account and they ended up with different interpretation labels, despite the fact that the sensemaking of change evolved in a similar way.
The aim of merging together all various changes reported by employees was to generate a model with transferability potential which would incorporate all the various sensemaking patterns that employees used in connection with the wide variety of the change instances they talked about (i.e. actual and hypothetical changes; changes of image, core identity features, strategies and structures; changes labelled as attractive or as non-engaging; changes which had been supported or not). The development of the model followed a circular process of model construction. Figure 11 illustrates one of the first versions of a series of model constructions. This model of change sensemaking was designed to correspond (at the time of the present research) closely to employees' accounts of change instances. As the previous analyses illustrated, an assessment of the change initiative activates employees' perceptions of the provisional future or present character of the institution, as well as its future and present image (see Sections 6.4.1 and 6.4.2, below) which then further guide their sensemaking and interpretations of change. Employees then further seem to compare their perceptions of the current and provisional future content of their identity and image after which they decide whether they are perceived as 'actually'
different. Three kinds of comparisons were discernible: 1) comparisons of perceptions of provisional and current content of identity, 2) perceptions of future image and current identity, and 3) perceptions of current image and provisional identity. When the comparison results in perceptions that something has changed, then the degree of discrepancy between perceptions is assessed. Change is labelled as attractive, when it is perceived through the lens of a desired, valued, and attractive future organisational identity within the range of what is considered possible for the organisation. However, when it is decided that the change is artificial and unnecessary, and that it actually changes nothing, change is labelled as non-engaging. A change could also be labelled as non-engaging when it is thought to be impossible for the current organisation. An impossible change is considered to be linked with a provisional identity that is so different from current perceptions of the organisational character, that employees perceive it as unattainable. At a later stage, on evaluating the attractiveness of the provisional future identity, change is labelled as non-engaging, when the provisional identity is perceived as devaluing the established and valued organisational and departmental characteristics as well as employees’ valued organisational identities.

However, it should be noted here the addition of feedback loops to the model from the interpretation categories (i.e. attractive and non-engaging) to the main conceptual schemas (i.e. perceived present and provisional future identity and image). The feedback loops denote the belief that the interpretation labels themselves will further guide the salience of identity schemas and consequently identity change (see Chapter Two, Section 2.4), underlying in this way the cyclical nature of the change process. Moreover, since the university case study was not a longitudinal study the feedback loops were not established in the data, but constitute rather theoretical propositions of the researcher for the better use and understanding of the model.
Having generated a model of the change sensemaking process as presented above, the interviews were visited once again to critically examine whether the model was an 'accurate' synthesis of the information collected. Revisiting the data once more revealed new insights and called for modifications of the model. The revised sensemaking model, which was developed at this stage of the analysis of the present study, is presented in Figure 12.

In this later version of the model, analysis of the 124 change instances revealed that, when employees assessed the need that necessitated the respective change, they were also assessing whether the change had addressed a specific organisational need on the basis of which an assessment is made of the change initiative itself. When it was thought that the need was not addressed, change was perceived as unnecessary and artificial, and
consequently as non-engaging. Change was also addressed as artificial when it was thought not addressing the organisational needs in the most appropriate way (see Section 6.4.1). It was further revealed that employees who interpreted change as attractive, seemed to perceive change through their salient provisional future organisational identity schemas, while those who interpreted change as non-engaging seemed to perceive change through their salient present organisational identity schemas (this point will be made explicit in the following sections). The same process was revealed when employees assessed the attractiveness of change through their perceptions of the provisional future and/or present organisational image schemas. Finally, as indicated by the first version of the model, employees went on analysing the change initiative when it was perceived as possible and comprehensive. However, this analysis was based on the evaluation of the provisional content of the proposed future organisational identity in accordance with the identity principles of continuity, distinctiveness, efficacy and esteem. It was this evaluation that appeared to be critical to whether the provisional content of future OI would be perceived as attractive or not, whether it devalued or enhanced employees' perceptions of their organisational identities. Thus, employees interpreted change as non-engaging when the provisional identity seemed to devalue the perceived organisational and departmental distinctiveness, esteem, continuity and efficacy. They interpreted change as attractive when it enhanced perceptions of the above principles. Even though this finding seemed at the time to apply to all of the change instances examined, it was difficult at this stage to understand what this sort of assessment entailed, and whether there were common patterns underlying employees' assessment of the changes.

As a result of a continuous re-assessment of the change sensemaking model originated through the revisiting of employees' accounts of change, the revised model reflected a more accurate representation of the way in which employees made sense of change instances in their accounts. This process (i.e. of revisiting information from the units of analysis, and, as a result, modifying appropriately the model constructed) was repeated many times, until the model was considered to be a satisfactory synthesis and interpretation of employees' accounts of the way they make sense and interpret change instances in the context of their organisation and their department.

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39 This inability to grasp what was entailed in employees' assessment is illustrated in this version of the model by the inclusion of the question marks.
Figure 12. The process of model constructions - The second version of the change sensemaking process

The different lines indicate the different sensemaking processes guided by the different cognitive lenses of perceived provisional future and present identity and image.

- guided by both perceived present and provisional future identity and image

- guided by perceived provisional future identity and image

- guided by perceived present identity and image

The inclusion of the two versions of the model presented above aimed to illustrate some of the different phases, of the construction of the proposed model. Looking back on this experience of a series of re-constructions and modifications over a period of months, it could be described as an arduous task, as is commonly the case in qualitative research (Jorgensen, 1989). The words of Strauss are particularly germane to this issue of a struggle "[..] to ascertain the meaning of events and to place them in some initial order" (Strauss et al., 1987: 25).

It must also be noted that this model of change sensemaking, whilst built inductively from a dialectical process of content analysis is framed by a particular theoretical stance on the topic of organisational change. In Chapter Two, existing models of change sensemaking were criticised on grounds that they used pre-structured frameworks, which had mostly
relied on theoretical underpinnings (Section 2.3.4.1). Even though a review of the existing literature on change interpretation and sensemaking has guided the investigation of change phenomenon, modelling the process that employees of the three departments seem to follow when making sense of change instances relied solely on the information collected through the interviews. Thus, even though the accounts analysed were subject to interpretation⁴⁰, the analysis was ‘grounded’ in the sense that the proposed model was mainly generated on the basis of information presented in employees’ accounts of change instances.

6.3.1.2. The Sensemaking Model of Transformational Change - Presentation of the Model

The concept of ‘model’ is used here to denote an abstraction of certain elements and the relationships between them, of a system that is being represented. According to Berkeley et al. (1990), different models can be generated in an attempt to address the same phenomenon; this is due to the different purposes for which each of these models is built. In the context of the present study, the change sensemaking model is generated with a view to providing a means of understanding the change sensemaking process. The model has the following characteristics:

(a) It is conceptual, since it aims to capture the way that employees intuitively proceed in dealing with a change situation.
(b) It is structural, since it implies the existence of a structure in the process of sensemaking.
(c) It is dynamic, in the sense that it represents a process.
(d) It is approximate, in the sense that, even though it provides the rules of change through the sensemaking process, these rules are not fully defined; rather, the model serves as a guide through the process of change sensemaking. Therefore, it needs refinement, as far as the degree to which the links between the different stages of sensemaking are modelled is concerned (Balke, 1992).
(e) The model is contextualised since it informs its user about the modelling context (Humphreys & Berkeley, 1992).

⁴⁰ This interpretation came as a result of an interface between personal hunches and the researcher’s theoretical orientations.
In Section 6.3.1, the procedure for generating graphical representations for each individual account of change was presented. During this process, the existence of common patterns in the structure of the process reported by employees was noted. Originally, the plan was to generate four models of change sensemaking, one for each department studied and one for the top management board. However, on comparing the process employees reported following when making sense of change instances in their departments, it was clear that there was a more generic structure emerging. Consequently, a decision was made to integrate the change sensemaking models of employees of all three departments and of the top management into one, which would illustrate all pathways that employees appeared to follow. This integrated model is presented in Figure 13.

**Figure 13. The approximate model of change sensemaking**

The different lines indicate the different sensemaking processes guided by the different cognitive lenses of perceived provisional future and present identity and image.

- --- guided by both perceived present and provisional future identity and image
- ---- guided by perceived provisional future identity and image
- ----- guided by perceived present identity and image

Appendix IV presents the frequencies reported in the course of the interviews adjacent to each transition point of the model. Having explained how the information reported by
employees was conceptually modelled, the analysis has been proceeded by examining employees' process of reasoning, how employees structure their interpretations of change, using Argumentation analysis. In this sense, the use of argumentation analysis contributes to the triangulation of methods (Chapter Four, Section 4.5) in order to strengthen the validation of the employees' process of sensemaking and reasoning.

6.3.2. Argumentation Analysis

Chapter Four (Section 4.7) argued for the centrality of arguing in organisational sensemaking (Weick, 1995). Insofar as employees make use of argumentative language when constructing their accounts of transformational change, it is necessary to base the analysis on their arguments with reference to the interpretation of change. Argumentation analysis (Toulmin, 1958) permits to go beneath the surface structure of employees' arguments and elicit the chain of reasoning by which employees arrived at the specific interpretations of change instances, by identifying the basic premises and assumptions upon which the credibility of the outcome of their argument rests.

As indicated extensively in Chapter Four (Section 4.8.1) this analytic framework breaks down an individual's argument into different components (i.e. Claim, Data, Warrant, and Backing) which provide the basis for the present coding of the units of analysis comprising the units of recording (as operationalised in Chapters Four and Five). In the present analysis Toulmin's framework was used in the two following ways:

a) the various structural elements included in an argument were defined according to the particular account context (i.e. account of employee sensemaking of change in an organisation), and

b) the analysis went beyond the level of the text which referred to the particular argument under examination making inferences regarding what employees actually meant when constructing their arguments (see Chapter Four, Section 4.8.1 for an analytical description).

The present analysis focused on the identification of the backings in employees' arguments since these elements of the structure of an argument provide the deep-seated reasons which justify the claims they made (i.e. the particular ways in which they interpreted a specific change instance). Since in many cases backings were found to be
missing from employees' arguments, these missing backings were inferred during the analysis of the employees' processes of reasoning. Therefore, the present argumentation focused on the identification of backings stated both explicitly and implicitly. Due to the fact that backings are the more general rules (often left implicit) which are used as further support for the warrants of the argument (which are more often stated explicitly), the identification of warrants in employees' arguments was also important, as a means of eliciting the underlying backings the arguments analysed. The importance of backings in employees' arguments is related to their characteristic of being 'field-dependent', in the sense that they constitute principles, rules and assumptions which are indicative of the social context, which is shared among organisational members and within which the latter act and assign meaning to their interpretations of change. Appendix V contains a comprehensive number of the extracts of the employees' argumentation which have been analysed in the present study.

Furthermore, since the interview extracts presented throughout the analysis in this chapter represent fragments of employees' argumentation, the structure of the argumentation chain given by the first employee in Section 6.3.1. (example 1) will be presented graphically below.

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41 This finding is in accordance with many studies on argumentation which have indicated that it is usually the 'because' part of the argument which is left implicit.
Figure 14. Drawing the Diagram of Example 1.

<table>
<thead>
<tr>
<th>DATA</th>
<th>CLAIM</th>
<th>WARRANT</th>
<th>BACKING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of university logo and symbol</td>
<td>Legitimate and necessary change</td>
<td>We had major recognition problems</td>
<td>Recognition of a need for change</td>
</tr>
<tr>
<td>DATA</td>
<td>CLAIM</td>
<td>WARRANT</td>
<td>BACKING</td>
</tr>
<tr>
<td>New strategy and corporate identity</td>
<td>Underlines the university’s inadequacies</td>
<td>You see that you are not still there but that you would like to be</td>
<td></td>
</tr>
<tr>
<td>People from the public respond very positively</td>
<td>Inspires a vision for the future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The reactions of people indicate that we are doing something good</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLAIM</td>
<td>WARRANT</td>
<td>BACKING</td>
<td></td>
</tr>
<tr>
<td>The change is appealing</td>
<td>Improves reputation (problem)</td>
<td>We are proud of it</td>
<td></td>
</tr>
<tr>
<td>Because if you come from a top university they think you are excellent as well</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLAIM</td>
<td>WARRANT</td>
<td>BACKING</td>
<td></td>
</tr>
<tr>
<td>It will be a success</td>
<td>We definitely feel we can do it</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLAIM</td>
<td>WARRANT</td>
<td>BACKING (Implicit)</td>
<td></td>
</tr>
<tr>
<td>It gives a competitive advantage</td>
<td>Assessment of feasibility when evaluating change</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6.3.2.1. Identification of Warrants and Backings in Employees' Accounts

The diagrams of employees' argumentation on their interpretation of change indicated that employees often have stated their warrants explicitly, which enabled the interpretation of the data as support for their claim, while in most of these cases they have not referred explicitly to the backing which would provide the reason ensuring the acceptability of the warrant used. In summary, as the argumentation analysis in this study indicated, in their attempt to establish their claims, employees normally offer certain information to justify and support them and show what must be assumed in order to derive the claim from the data. In these cases, the form of the argument would be “if the data are accepted as true or valid, then the claim follows because...”. However, employees rarely make explicit their underlying assumptions regarding their specific accounts. Given the fact that these backings – which are left implicit – reflect the principles and beliefs in use in the particular context, an adequate understanding of the structure of the employees’ argument structure requires bringing employees’ underlying assumptions to the fore.
The implicit backings in employees’ argumentation were inferred on the basis of the warrants used in any particular argument which were more often stated explicitly in employees’ accounts. In specific, based on the information presented in the form of the warrant used in any particular argument, an attempt was made to reconstruct the inference structure used by the employee in the particular case examined. In some cases the backing could be inferred directly from the warrant stated in the argument. However, in most cases the underlying backing could be inferred indirectly from that statement in conjunction with other intermediate propositions. In the latter cases, each step in the process of reconstructing the employees’ inference structure was an inference move and was ‘legitimised’ by the fact that it followed logically from — and was recognised and accepted by — the previous step. The importance of reconstructing the various inference moves that employees follow when providing support to the main claim lies in the purpose of this study which was to use argumentation analysis as a means of eliciting how the employees reasoned from the premises to the claim of the argument, and thus to identify the principles underlying this reasoning process.

Having explained how employees structure their interpretations of change, their process of reasoning will be now discussed as they make sense of episodic transformational change revealed in their accounts. The inclusion of interview extracts in the discussion further explains the ‘technical language’ used in the description of the structure of employees’ arguments. The structure of the arguments underlying the interview extracts are presented in Appendix V.

42 Van Eemeren et al. (1987) have also used this method of reconstructing a series of inference moves, left implicit in an individual’s argumentation, as a means of making explicit the inference structure of the argument and of reconstructing the entire chain of the individual’s reasoning.
6.4. DISCUSSION

6.4.1. Approaching Change Through The Perceptual Lenses of Identity and Image.

Figure 15. The perceptual part of the model: Approaching change through the logics of identity\(^4^3\)

As indicated in Figure 15, making sense of change could be said to begin when employees assess whether something needs to be changed in the organisation, whether there is an organisational need that needs to be addressed (e.g., a sound business case). Employees who perceived that there was no need to be addressed simply interpreted change as artificial and non-engaging. This presupposes an awareness of a need as well as a case for change.

"Ultimately they do a project, a strategy or image change, because they want some kind of business benefits out at the back end. The benefits come around however when you know where you are going, what’s the rationale of doing this. You need to know why the current situation is unsatisfactory, what the need for change is" (Cl: SM).

\(^4^3\) The findings of the argumentation analysis are graphically presented with the help of the sensemaking model generated in Section 6.3.1.2 for illustrative reasons.
“If there is a plan for a change programme, it mainly shows what you are doing wrong that needs to change in order to give you an advantage” (T: SM).

“I think it’s very difficult to change a university, in these terms they are talking about, in order to improve performance if you are not clear [in] what direction you are heading in the first place, what is the need behind all these, why we are acting like that” (J: SS).

Why should organisations invest time and money if there is no rationale, no need for change? How could employees be invited to support and commit to change if there is no clear or explicit reason? Findings in the strategic management literature reported that top management members differentiated their interpretation of strategic issues as ‘threats’ and/or ‘opportunities’ (e.g., Barr, Stimpert & Huff, 1992; Dutton & Jackson, 1987; Dutton & Duncan, 1987; Jackson & Dutton, 1988) depending mainly on the urgency and seriousness of the need. Employees however, in the current sample did not differentiate between different degrees of seriousness or between possible kinds of needs for change and/or urgency of the need for change. The results here indicate that interpretation concerns a diagnosis and awareness of a need for change, but it does not result in a more detailed categorisation of any kind such as would be implied by a sense of urgency or necessity. Failing to literally spell out the need or purpose of intended changes is noted to be a fundamental flaw that inhibits change implementation.

Trialectics further support the notion of need awareness arguing for the importance of ‘actives’ and ‘attractives’ (see Chapter Three, Section 3.3.3.3) in the process of transformational change. According to trialectics, change is produced by attraction which disrupts the established equilibrium and gives rise to different identity possibilities. However, attraction is a function of what is active and something will be attractive only when there is an active counterpart. In this sense, employees’ awareness of a need to be addressed implies that people are active (ready) for the change. It also implies that there is a disequilibrium of active-attractives, since the need for change is activated by an expectation that will be met by an offer that corresponds to what is active, making the inducement attractive.

“I think that there was definitely a case for change (change is active) since the university didn’t have such a distinctive image (attractive). In that sense,
I even understand the whole corporate identity programme (function) which may seem really silly to others, but it was necessary if we wanted to be more broadly known (desired result)" (JI: SM).

“We had to compete (attractive) not only for funding but for students as well. And we had to do something about it (active) because something was not working. More wide partnerships with industry seems like a good solution (function) that can generate the desired result” (T: SM).

Finally, employees’ recognition of a need for change has been referred in the literature as a contemplation stage (Grimley et al., 1994; Prochaska et al., 1992), which also means that employees are changing before any alterations in their behaviour can be observed. Once the rationale for change has been activated and articulated two further elements of the change sensemaking process come into place. One is the assessment of whether the need has been actually addressed by the change initiative. The answer to this question determines the process of the sensemaking at a very initial stage.

“They talk about our need to be well-known in the community, they talk about our lack of image and our difficulty to establish and communicate our work, and I understand that there is a need that has to be addressed... there is obviously something that goes wrong and needs change... the university needs modernisation etc., but so far I don’t see anything happening. Everything has stopped in the advertising phase, that we’re going to do that, be like that... but nothing has actually been done. So, I don’t really believe in what they declare and I am actually fed up waiting and receiving information about what they ‘plan to do’” (X: SS).

“We had to become more competitive, we had to change our strategy and our image, because we had real problems of recognition and attraction of funding. However, something has already been done toward this direction. We have launched as a university a new change programme, that incorporates not only our focus as a business organisation with a change of strategies and policies, but also a corporate identity change and an effort to pay attention and organise our communications system, to establish the change to everyone” (M: SM).
The two above extracts make clear that the interpretation follows two different paths depending on whether employees perceived that a need for change has been addressed or not. Employees who believed that the need for the change of the university had not been addressed perceived the declared change as artificial and obviously unnecessary. Consequently, they were unable to become engaged to the initiative.

"You want to know about some of the changes in the university. But what I have to say is that nothing has actually changed. They have prepared their declarations meeting after meeting, they have bind them in nice blue hard copies and put them on the selves. Nothing had to be changed and nothing did change. And to be honest, I don’t see why this whole thing started" (D: SS).

"Rebranding the university? For what?" (R: SS).

At the same time, some employees felt that there was a need for change but that the change initiative did not address this need nor what they considered to be the particular ‘real’ problems of the university. They too interpreted change as unnecessary and artificial and seemed reluctant to support it. In the language of trialectics, this could be addressed as denoting the need for change (which is active) with an end result (i.e. becoming a top tier university), but where the function that relates them (i.e. the proposed strategic and corporate identity change) is judged not to be the right one. Thus, employees are reluctant to accept the new arrangements.

"I really don’t believe that pursuing a different logo or corporate identity (function) will put us at the top-tier (result). Our willingness to do fundamental research (attractive) will achieve that” (Ad: SS).

"The strategic change (function) that has been introduced will put us at the top-tier (result). It is a matter of time” (P: EE).

"Becoming a top university (result) means strong fundamental research and also awareness of industry needs (function)” (Jl: SM).

"I understand that we need to have a more focused strategy to become a top place or whatever. But I can assure you this is not the way forward” (Ev: SS).
Chapter Six - A Process Model of Change Sensemaking

The above quotes further indicate that there is no single function that links an attractive to the desired result. However, it is the perceived appropriateness of the function that may influence the sensemaking process and the interpretation of change.

The assessment of the proposed function constitutes the second element that comes to the fore in the change sensemaking process and it is an assessment of the change initiative itself. This implies a translation of the more abstract need for change into immediate action, into the establishment of the desired function (according to trialectics). Anything from the strategic reorientation, the prioritising of departments and external funding policies have been addressed by employees as change instances. The versatility of the term results from the wide range of interventions that had been introduced in the focal institution. The employees did not spontaneously classify change instances and initiatives, nor did they describe different reactions to different change instances. The different interpretation labels that were used as a result of employees' sensemaking of the change instances have been described as a result of the cognitive, perceptual lenses that the information about the changes activated rather than as a function of any particular change. There was no indication that particular change instances, especially more radical ones (i.e. the strategic reorientation of the institution; marketing and corporate identity changes, which could be judged as being less appropriate change initiatives for an academic institution (Baker & Balmer, 1997)), triggered more unfavourable interpretations than others. The ways of understanding and making sense of changes and the ways of bringing changes about were generally seen to be more important than the outcomes of the changes.

The planned change proposes new ways of being and operating for employees to adapt to that serve as trials for possible but not yet fully elaborated OIs. However, although the change suggested and imposed new provisional identities, employees interpreted and acted on these subjectively as a function of their self-conceptions – who they are and would like to be in the future. In this way, employees personalised the proposed identities by directing attention to those elements that most matched (or mismatched) their own self-conceptions. This identity-matching involved making judgements about the feasibility and the attractiveness of the provisional identities and will be elaborated at the middle and bottom parts of the model (Sections 6.4.2 and 6.4.3).

As shown in the model, the assessment of the provisional identities as proposed by the change initiative triggered the activation of employees' current organisational identity schemas through which they gave meaning to and interpreted the proposed change. It has
already been argued in Chapter Three (Section 3.2.4) that organisational identity claims are most likely to be salient and explicitly discussed when ambiguity and change impair and negotiate the utility of established processes. Identity claims refer to what the organisation is perceived to ‘actually be’ (Albert & Whetten, 1985) and the assessment of the provisional identities had led initially to a look inward at employees’ perceptions of the present institutional identity. In other words, employees referred to the core of the institution, of what fundamentally defined the institutional entity, as well as its boundaries.

"Talking about strategic change and business planning does not make sense to me. Because we are a university, notions of strategy and marketing do not really mean that much to us and to our work. This makes me quite defensive towards the change” (D: SS).

“What defines my work and my career is pursuing excellent research and teaching, that’s what the university used to be and I believe still is, it is a top place you know... but I am afraid it is not about UNIS or University of Surrey..., it is not about logos, they don’t make the difference and they are not part of our tradition of being and operating... They are crap” (Ad: SS).

“Of course we need to see what the university is all about, we cannot forget about these issues, what makes us special, what we do best. And then we must think what can be changed, along these lines, without forgetting who we are, because we are strong and we need to preserve that feeling. Otherwise the change will never succeed” (Rh: EE).

The above quotes also indicate that employees’ perceptions of the core and central organisational attributes, but also of those that make the institution special and efficacious were brought to the fore when assessing the change initiative. Beliefs about what is enduring which is based on deeply ingrained and tacit assumptions further contributed to the assessment of the provisional identities proposed by the change initiative.

“It is the tradition and the history of the university, what we have always been, that actually affects my attitude towards the change now. And this change cannot win me because it’s not me” (Ev: SS).

“You cannot forget the past, the traditions. We are not a new university, we are rather a quite old and traditional institution and we cannot forget that when we are planning for a successful and fulfilling future” (J: SS).
At the same time, assessment of the provisional identities was definitely anchored to the organisation's mission which constituted one of the central characteristics that defined employees' perceptions of their institution, an observation that ties the organisation's identity to its role in the social and organisational context and informs sensemaking and action.

"Our mission here is to teach our pupils and to be a part of a major research institution. This is what we believe and value, and this is what we are supposed to do. If someone asks me to do something else, well, there might be a problem. I would not do it easily" (S: EE).

“We are what we do, and what we strive for is excellent research and teaching. This is who we are, what we do and what we are willing to do. I don't know anything else, and I am not willing to learn. Besides, ...no support has been given” (D: SS).

The notion of learning mentioned by the employee above constitutes an attribute of the internal organisational context (Senge, 1990), which will be further analysed in Chapter Eight. The analysis of the learning element is not further elaborated in this chapter because it was mentioned only by one employee; however, the purpose of the study is to look for common interpretative patterns and processes (see Chapter Four, Section 4.4). However, at this point, a note needs to be made that the organisational learning environment may play a significant contextual role in employees' interpretations and acceptance of change. For the time being, it shows that a learning climate or better the absence of a supporting learning environment was strongly linked with a salient current identity schema that affected the employee’s unwillingness to support the change.

So far, the process model has shown that employees assessed the proposed change initiatives through their perceptions of the current identity of their organisation, of what had been established as the central, distinctive and enduring character of the organisation (Albert & Whetten, 1985), through their more or less valued and realistic depictions rooted in the present. Furthermore, the activation of employees' present OI schemas delineated also perceptions of the organisation's boundaries, as it was explicitly indicated by the above quotes. A salient current OI schema guided employees to measure their valued current perceptions of the organisation against the provisional future OI as operationalised by top management actively drawing positive distinctions between the
present and the provisional future identity that tended to flatter the perceived current character of the organisation. Finally, because OI schemas are self-referential, the comparisons between the present and the provisional future helped demarcate and sustain the organisation’s boundary and consequently its core. In this sense, cognitive change (i.e. in terms of incorporating the provisional content into the core identity structure) was not facilitated and had not been initiated.

However, it was made apparent during the analysis that employees’ assessment of the proposed identities also activated organisational schemas rooted in the future. Employees clearly distinguished between perceptions of current organisational identities, which concerned positive and self-referential perceptions of the existing character of the organisation, and perceptions of provisional future identities, which referred to schemas about what could be achieved in the future comprising elements of the proposed identities. Moreover, provisional future identities served as trials for possible but not yet fully elaborated organisational identities and denoted employees’ perceptions about what they perceived the organisation ‘should be’. Employees’ perceptions clearly referred to the content of the planned organisational change initiated in the university incorporating the proposed character of the university into their identity possibilities.

“The change we are talking about just describes who we are going to be in two or five years. It suggests how the university will be in the future if it is successful and to be honest I can buy into that future if it is proved to be what we really need” (Cl: SM).

“It is about the future and I believe this future might be quite inspiring. Of course I want to work for a top university and I know we are not there yet, but the good news are on their way” (Ed: SM).

The above quotes indicate that provisional future OIs provided a cognitive bridge between the present and the future, between perceptions of employees’ current capacities and self-conceptions and the representations they held about what it was expected to happen as a result of the planned change. In this sense, employees were able to incorporate into their core identity structures future identity possibilities as proposed by the planned change for further experimentation and evaluation. Elsbach and Kramer (1996) argue that provisional future organisational identities are concrete and challenging identities to which employees can aspire denoting the beginning of employees’ cognitive reframing. Employees
incorporated into their core identity structures images (Dutton et al., 1994) of what end states may be desirable and undesirable, which will be consequently evaluated for their feasibility and attractiveness (Sections 6.4.2 & 6.4.3.). The results of this evaluation will lead to a fully elaborated future OI through the full incorporation of the images into employees’ identity structures.

Furthermore, the provisional future identities served also as representations employees held about what attitudes and behaviours were expected in the transformed organisation.

“The strategic nature of the change clearly indicates what we are supposed to do in order to implement the change” (T: SM).

In this sense, employees elaborate their beliefs concerning the institution’s prospective character that prompts them to identify with this category (Chryssochoou, 1996).

“We can be a more business orientated organisation, ‘a real-world’ institution; in this sense, we need to be more competitive, industry-focused, and more innovative. We need to be responsive to the needs of the real world and able to speak the same language and I am willing to work towards that end” (Ed: SM).

“It always depends on what you want to achieve in the future. For the time being, I like what they propose for the future, I find it quite promising” (Y: EE).

Therefore, provisional future OIs served as cognitive filters by which employees enacted their organisational environment and as incentives for future behaviour. In this sense, provisional OIs guided attention in sensemaking and motivated interpretation and behaviour towards change constituting benchmarks for evaluating behaviour and consequently change initiatives.

The provisional future identities were elaborated as employees reflected on other organisations that served as ‘role models’ and supplied the elements needed for their construction. Employees directed their attention to exemplars, asking “What do other organisations do to project an effective image?”

“LSE is probably one of the most successful schools in the economic sciences discipline and they have a reputation, which they deserve, for being successful. They insist on theoretical integrity and soundness in research
and ... it is very innovative, in the sense that they always look forward and follow current developments and needs, it is probably a guiding school” (JI: SM).

“Take for example UMIST, it is able to attract funding both for fundamental and practical research... tailored to industry needs and this is what we plan to do” (K: EE).

“I believe that the university, after the successful implementation of the programme will belong in the elite circle of the top universities, just like the Institute of Psychiatry” (Pt: SS).

“What the change indicates for the future is a quite non-typical institution... just like LBS. LBS capitalises on an enormous pool of business partnerships which provides a real focus on the needs of these organisations. And at the same time it has immediate feedback about what is working and what is not working in practice... This is the competitive advantage we are aiming at” (M: SM).

The above quotes indicate that organisational referents acted as successful role models for organisational members providing a tacit display of ways of signalling important organisational traits for possible incorporation into their core identity structures.

Furthermore, the early constructions of provisional future identities were based on ambiguous, ill-defined, naive and sometimes discordant perceptions of requirements in the new organisational paradigm.

“I don't know exactly what we’ll look like in 5 years, the only thing that I know is that the university will be at the top tier” (Y: EE).

“The change implies that right now the future of the university is quite vague and idealistic, but nonetheless certain, predictable and attractive” (H: SM).

“After the end of the programme, we will have all the characteristics that describe a top institution” (Cl: SM).

It is clear then that the central character of the provisional future OI maintained an ambiguity to allow a number of interpretations, while minimising the likelihood of in-fighting over exact standards of assessment. The ambiguity and vagueness of the notion of
centrality in defining provisional identities was further elaborated by employees’ perceptions of the notion of continuity. Employees perceived the provisional OI as drawing coherence from the past and couched the future OI at a higher level of abstraction.

"Even though it is a big change, in a way it reaffirms our dedication as an institution that belongs and is going to belong at the top tier" (Rh: EE).

"I see the university as pursuing a mission of being among the top universities in the country. If this requires fundamental changes, and I am sure it is going to change considerably, its vision of excellence stays the same" (P: EE).

The above quotes establish that continuity is clearly in the eye of the beholder. Moreover, the notion of a ‘top-tier’ university became the overarching visionary symbol that summarised employees’ perceptions of their provisional future organisational identities. When employees were called upon to enact some change in their existing patterns of thinking and acting, the proposed change had to make sense in a way that related to previous understanding and experience (see also Bartunek, 1984; Gioia, 1986; Louis, 1980; Ranson et al., 1980). The symbol of a top-tier university of excellence was the key to this process in part because its inherent ambiguity provided a bridge between the familiar and the strange, thus fostering a sense of continuity while simultaneously facilitating change. The impact of symbolism on employees’ interpretations of change will be further addressed during the discussion of the role of construed external image on sensemaking (Section 6.4.2).

The salience of provisional future OI schemas further implied that changes that were consistent with employees’ perceptions of organisational possibilities would be easy for them to interpret.

"It makes sense because it’s something possible which was missing from the organisational repertoire... it is how we were supposed to be" (Cl: SM).

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44 Meyer (1984) argues that symbols both conceal and reveal facets of change. They conceal threatening aspects within the camouflage of the known, yet reveal those aspects that emphasise difference; but differences are rendered in terms that echo the familiar.
"It makes me feel that the new profile promises a future for the university that is definitely better than what we are and how we are perceived" (H: SM).

The above quotes also make clear that even though organisational identities are self-fulfilling systems, it would be a mistake to conclude that they are fixed. The present identity evolved toward the future identity, as employees incorporated future identity possibilities into their identity structure. Section 6.4.3 will argue that it is the evaluation of these possibilities that may prompt employees to question the currently core facets of their organisation and perceive them as malleable, impelling new iterations in the development of their identity. Pratt and Dutton (2000) found that a discrepancy between the current and proposed future identity was integral in determining the social issues with which organisational members identified. It was felt however, that the malleability of present identity was not easy, so employees appealed at the same time at the notion of image (the role of image in influencing the malleability of present identity will be explored in detail in the next section, 6.4.2). Overall, the data indicates that not only was identity important and vivid in employees' perceptual processes, they also influenced their interpretation of change. In particular, present and provisional future identities differed in their associations with attractive and non-engaging interpretations.

The inclusion of a sense of what is provisional and possible within the concept of organisational identity allows it to become dynamic. This sense of possibility can be viewed as a cognitive bridge between the present and the future, specifying how the organisation may change from what it is now to what it will become. When certain current organisational conceptions are challenged or supported, it is the nature of the activated possibilities that determines how the employees feel and what course the subsequent action will take. Consequently, employees feel the need to evaluate activated provisional identities. Some provisional identities stand as symbols of enhancement, whereas others are reminders of a devalued present as well as a devalued future that needs to be avoided, which leads to the formulation of the bottom part of the model (see Section 6.4.3.).

What was evident during the analysis of the assessment of change instances was that the salience and activation of employees' present and provisional future organisational schemas were determined in several context-sensitive ways. The context was critical.
because it guided the interpretation of change. The extent to which the organisation supported and facilitated learning constituted a characteristic of the sensemaking context. The absence of learning support systems as a characteristic of the organisational context was found to affect the activation of present organisational schemas for one employee, and consequently his interpretation of change. The impact of the sensemaking context on the change sensemaking process will be analysed extensively in Chapter Eight.

Communication patterns were also perceived to be an essential attribute of the organisational context that guided sensemaking of change through the activation of employees’ current and/or provisional future OI schemas.

“I believe that the management tried to communicate to everyone the aims and purpose of the change. So, knowing about it, I started to make sense of it, I could think and work in terms of the change” (JI: SM).

“I have received a lot of information brochures and I have participated in many discussions which made me think: “How the university should be? How should we put forward the proposed changes? What do they mean? They put me into the process of working for a better place” (A: SM).

“To be honest, I never received enough information about the new plans. And I really can’t see where the university is going and how the change can make a difference” (D: SS).

“I cannot think in these terms and I was never asked about my opinion... it was a one-way communication where they announced their decisions and no other opinions were considered... But if you want to know, I believe that we don’t need all these crap and useless changes” (X: SS).

Frequency of interaction and the degree of participation by employees in decision making constituted elements of the internal organisational context (i.e. organisation’s communication pattern) that affected the salience of different perceptual and interpretation schemas and consequently the interpretation of change. Furthermore, Mead (1934) suggested that meaning emerges through social communication. This communication here was both explicit and direct and symbolic and indirect. Furthermore, information in the form of verbal accounts such as slogans to which employees were exposed encouraged the salience of specific schemas. Employees built up the received information and used it to develop new understandings. In this way, information relevant to new frames is being
developed. Dutton and Jackson (1987) and Lord and Maher (1991) explained that social information, particularly labels offered by others, has a profound impact on schema activation.

“When I first heard about the top-tier or top-ten university vision I was really excited, because I thought yes, this is a good thing to work for” (Ed: SM).

“The top-tier school. How should it look like?” (R: SS)

Thus, one of the main ways the sensemaking context is reflected in the individual act of sensemaking is the pattern of schema salience across organisational members: to what they attend and toward what interpretations they are biased.

Summarising, the top part of the model revealed that employees’ perceptions of the organisation’s identity are critical constructs for understanding how they interpret organisational change instances. An organisation’s identity or what employees believe to be its central, enduring and distinctive character (Albert & Whetten, 1985) filters and moulds their interpretations of change (acting in this sense as a cognitive interpretative lens). The salience of provisional future organisational identity schemas, however, denoted employees’ experimentation with the proposed identities and the development of new understandings which was an important trigger to employees’ action and attitudes towards change. Thus, the provisional future identities may function as perceptual lenses, incentives for future behaviour, being targets to attain or avoid, providing an interpretative context for the contemporary and potential view of the organisational character. Moreover, the notion of provisional identity indicates that the current identity is capable of planning its own future and change and, presumably, of working towards achieving it. Finally, the salience and activation of qualitatively different identity schemas (i.e. current and provisional future) seemed to be triggered by the contextual influences of communication support and the degree of information provided as well as by employees’ perceptions of a need for change and the offer of an appropriate solution.

The inclusion of a sense of what may be provisional within the concept of organisational identity allows it to become dynamic acting as a cognitive bridge between the present and the future, specifying how the organisation may change from what it is now to what it will become. When certain current organisational conceptions are challenged or supported, it is the nature of the activated possibilities that determines how the employees feel and what
course the subsequent action will take. Consequently, employees feel the need to evaluate activated provisional identities. Some provisional identities stand as symbols of enhancement, whereas others are reminders of a devalued future that needs to be avoided, which leads to the formulation of the bottom part of the model (see Section 6.4.3).

Ranson, Hinings, and Greenwood (1980) provide further support for the notion of cognitive interpretative lenses. They adopted the concept of interpretative schemas from Giddens (1979) and Schultz (1967) to describe the cognitive schemas that map one's experience of the world, identifying both its relevant aspects and how we are to understand them. Interpretative schemas operate as shared, fundamental (though often implicit) assumptions about why events happen as they do and how people are to act in different situations. Ranson et al. (1980) suggest that interpretative schemas are expressed in provinces of meaning, which represent the organisation's values (desired ends and preferences) and interests (views of the appropriate allocation of scarce resources). These provinces of meaning are then drawn upon to validate and legitimate various organisational frameworks. Thus, it is argued that there will be a transformational organisational change if organisational members revise the provinces of meaning, their interpretative schemas, which underpin the constitutive identity of organisations.

What is made evident so far is the activation of both current and provisional future organisational schemas that guide employees' interpretation of change. However, it is the provisional and future version of employees' organisational identities that indicates a revision in their schemas of meaning as they start to incorporate some of the prospective content into the identity structure (Breakwell, 1986: 94) in the form of identity possibilities. These possibilities will be further assessed and evaluated for a definite incorporation into the identity structure. Furthermore, evidence was provided that the activation of different OI schemas was closely related to: a) the sensemaking context, and especially its element of communication support, which affected the salience of different OI schemas and, b) employees' perceptions of a need for change in terms of creating a disequilibrium between actives and attractives as well as their perceptions of the function that relates the active with the end result. However, this finding needs to be treated with caution since it is not based on a longitudinal case study design. These findings suggest several related propositions that capture the key elements of an emergent model and provide grounds for further empirical investigation:
Proposition 1: Perceptions of identity will be differentially related to change interpretation.

Proposition 1a: Present identity will be related to non-engaging interpretation.

Proposition 1b: Provisional future identity will be related to attractive interpretation.

Proposition 2: Communication support (the sensemaking context) will be related to change interpretation, both attractive and non-engaging.

Proposition 3: The communication patterns of the organisation will be related to perceptions of organisational identity.

Summarising, it is evident that OI schemas guide employees' interpretation and sensemaking of change. However, whether and how OI schemas will further guide the process of sensemaking and interpretation of change will be determined by the assessment of the identity gap and image gap generated and employees' evaluation of the prospective identity content, processes that will be explored in more detail in following sections. The next section explores how cognitive schemas further guide employees' sensemaking of transformational organisational change.

6.4.2. Perceptions of the Identity and Image Gap

Figure 16. Perceptions of the Identity and Image Gap

--- guided by both perceived present and provisional future identity and image
The first part of the model dealing with employees' organisational perceptions has shown that identity claims, current and provisional future, provide an easy referent for social construction. It has also been shown that identity claims are likely to be future orientated as identity possibilities. Current and provisional future identity claims were advanced and activated under conditions of transformational organisational change, which guided distinctively different paths of sensemaking of the implemented change.

However, employees did not only appeal directly to identity issues when they made sense of change, but they also concentrated on the related concept of image. The assessment of the change initiative also triggered the activation of employees' perceptions of the organisation's image, both current and future, through which they gave meaning to the proposed change. The activation of organisational image schemas was valuable in the sensemaking process of change as they triggered employees' assessment of any differences between perceptions of identity and image. The result of this assessment followed two distinctively different paths. The first path concerned the assessment of the difference between perceptions of a desired external future image and current identity, while the second concerned the difference between perceptions of a desired external present image and future identity.

Employees who perceived that the planned change would convey different impressions to outsiders from what the university was perceived to be so far compared their views of the organisation with their perceptions of how others would see the university after the change. Albert and Whetten (1985) frame this comparison in terms of the fundamental self-reflective question “Who are we as an organisation?” and the parallel other-reflective questions, “Who are they going to think we are after the change?”

"Is this the way we should be?” (R: SS)

"Friends and colleagues from other universities, the academic community as a whole and prospective students and employees here, will have different perceptions of the university, mainly due to our new image and marketing programme. So, it makes you wonder, whether this is now who you should be, or who others believe you should be” (JI: SM).
When employees perceived the change as projecting an attractive vision in the form of a desired future image they believed that their current identity was malleable and showed the desire for the university to change. One of the members of top management who took part in the design and initiation of the change process was the first to outline the role of image in underlying the malleability of present identity. The appeal of image was further outlined by a significant number of employees:

"...if we start with trying to change identity, we might not get anywhere and people will not commit to the change. But if we start by laying out an image that employees want to achieve, it will make it easier to move them off the current way of seeing themselves and the university. That's what this change is all about" (Mk: TM).

"Will the proposed change contribute to the reputation of the university? If yes then ok I think it's a good start" (S: EE).

"I am aware of the shortcomings of our university as it is now, because of my connections with people outside the university. They don't seem to think of us in the best possible terms, we are not visible enough, and this is what needs to change" (P: EE).

"I hope that after the communication and marketing programme has been completed, people outside the university will give us the reputation and prestige that we deserve in the community" (M: SM).

In this way, employees explicitly compared their perceived current organisational identity with perceptions of a desired external future image (Dutton et al., 1994). Perceptions of a desired future image played a significant role in creating the pattern of how employees in the organisation made sense and interpreted the proposed change initiative and its associated provisional identity. In this sense, the construed external image constitutes a major perceptual lens for the interpretation of change (Hatch & Schultz, 1997). Employees assumed that the acceptance of the desired future image by external constituencies could lead to subsequent substantive improvements and changes at the identity of the university.

"You can change image, and you can try to change your reputation and the opinion that others hold of you, but how can you change so easily who you are?" (Ad: SS).
"If someone believes that you are a leading university in research and teaching, and that you respond well to changes and tailor your programmes and research according to the changing needs of the society, then definitely you will work to realise that image" (Rh: EE).

"You can't let down your students and the society who believe in you. You need to meet their expectations when of course they are right. And in this case, I think they are" (M: SM).

The working logic was that the promotion of desired images would motivate a change in identity that would produce a desire for improvements, facilitating thus the transformational strategic adaptation to the changing environment. Image took on a qualitatively different form within the transformational change context of this study. It had a pronounced future-oriented tense to its expression, which further implied that it was essentially changeable. Thus, employees saw image and identity as interdependent processes affecting each other over time. In other words, conceptually, organisational image was seen as similar to organisational identity (both functioning as perceptual lenses), but less basic and more malleable than an identity, as it was also argued by Cheney and Vibbert (1987). Image was perceived as an organisational characteristic that could be changed more easily than the more intangible character of identity.

Analogously to the salience of desired future image schemas, employees’ perceptions of current external images were also activated by the change initiative that underlined the inefficiency of the prospective and provisional content of their organisational identities. In this case, perceived (i.e. construed) external image had a present-oriented tense in its expression denoting how employees thought others saw them and it played a significant role in their sensemaking of the proposed change. The way employees assumed that outsiders see the organisation prompted them again to look at their own sense of their organisation in the future and assess the similarity of the two views. This assessment involved an explicit comparison between provisional future identity and construed external image.

"This is not how others see us. And it’s hard to change their views about you. At least it’s impossible in this way" (R: SS).
"I believe that we do have a good reputation among our colleagues and the community. And I am afraid trying to change, will affect also this image, in a unpredictable way and not necessarily positive" (J: SS).

"We are known for very specific qualities around here. This change will change the way we operate, but this is not how we would like to look like and be perceived" (X: SS).

This comparison resulted in the attribution of desirability to present construed external images making employees aware of the shortcomings of the proposed future organisational identity. In this sense, a salient desired present image was able to alter the provisional identity to become aligned with the desired present image.

"Since the public is happy with who we are and satisfied with our services and our work, then why change?" (Ad: SS).

In other words, employees’ perceptions of the change initiative were guided not only by their perceived present and provisional future OIs but also their construed present and future external images. The characterisation of both identity and image implied that each was changeable, but employees clearly saw the desired ‘top-tier’ future image as the ‘key to change’. Although both perceptions are based on the existing tradition and culture of the university (“This is a university with traditional values...”), instead of the usual expression of “this is who we are and seen,” the activation of the future identity possibilities and the desired future image schemas guided employees to couch their expressions in terms of “this is who we could be and how we want to be seen after the change is accomplished”.

In this way, employees were able to revise their perceptions of the history and past of the university by revising not the facts but their meanings. What defined members definitions in earlier times are subjected to revised interpretations, as perceptions of current needs or desired future images motivates the reinterpretation of the past. In this sense, images of a desired future state can alter and bring current identity more in line with the desired future. However, if perceptions of the existing identity cannot be altered in some way, the change effort is unlikely to be interpreted in favourable terms. Overall, then, not only were image and identity important and vivid in the employees’ perceptual processes, they also influenced the interpretation of change, as depicted also in the bottom part of the model (see Section 6.4.3).
Furthermore, perceptions of the organisation’s desired future image served as a basis against which employees evaluated and justified the change initiative. Eisenberg and Riley (1988) argue that organisations foster the development of new images that enhance the legitimacy with which they and the proposed changes are perceived.

“If the change results in the creation of a more favourable image in the eyes of the community and of our prospective students and colleagues, then yes, I agree that this is a good reason for the change” (T: SM).

Moreover, employees’ attributions of legitimacy reflected their beliefs that relevant others perceived a congruence between the image of the organisation and its core substantial attributes.

“The response of the students, academics and the media really justify our image and our vision for the future. And this indicates that we don’t try to promote an unrealistic image” (A: SM).

“When we talk about the vision, about being a top-tier institution, we don’t lie... and our students are here to confirm it” (P: EE).

The pursuit of a ‘top-tier’ external image acted also as a visionary symbol that was central to the construction of meaning and the development of understanding of the new organisational orientation. It was argued in Chapter Three (Section 3.4.2) how symbolisation constitutes a significant part of the dynamic nature of identity. In this view, symbolisation involves the awareness of things as having objective form and both literal and surplus meaning. In this sense, the above visionary symbol became the primary mean by which employees grounded their perceptions and articulated their preferences concerning many aspects of the strategic change. Specifically, the symbol articulating the desired future external image (i.e. ‘top-tier university’) became the means for understanding change and captured the specific actions associated with attempts to redefine and legitimise the new social reality.

The university’s new mission statement as well as its logo were also perceived by employees as symbols for the construction of new meanings.

“When I read the mission and saw the new university logo I could see that the university was not any more an old static university but rather a dynamic and progressive institution” (M: SM).
"I may not believe in the power of logos, but in our case it makes us look like we are moving forward which is especially rewarding in our environment" (Ed: SM).

The above quotes underline how the artefact of the organisational logo acquired a significant symbolic association with the perceived future identity possibilities of the university. In this case, it is clear that employees created or discovered meaning from the new university mission statement and logo among other symbols as they explored and produced a socially constructed reality to express their identities as members of the specific organisation and to contextualise their activities.

In this sense, employees see the vision, mission and logo as a symbol of "how it should be" and interpret them in terms of their own assumptions and understandings of how it has always been and how it should be. Later, if the vision is adopted by employees, it may alter assumptions and reorganise their understanding contributing to a favourable interpretation of change that supports the vision. It is as a symbol that the vision contributes to interpretation. The present case study has indicated that it is employees' expectations and the way they make sense of the proposed vision that determine their acceptance of the new organisational reality. As it was argued in Chapter Three (Section 3.4.2) "symbols do more than merely stand for or represent something else... they also allow those who employ them to supply part of their meaning" (Cohen, 1985: 14).

Moreover, it was argued in Chapter Three (Section 3.2.4) that just as perceptions of present and future organisational identities are salient in times of ambiguity and change, the discrepancy between the two, the identity gap, is also salient in the process of change sensemaking. Perceived current identity delineates "who we are" as an organisation while possible, future identity defines "who we might become" (Thomas & Gioia, 1991). Employees clearly referred to the discrepancy, the difference between the two identities, which is referred to as an identity gap (Reger et al., 1994), every time they assessed the desirability and attractiveness of the change initiative.

"I can't think of what the change proposes without keeping my mind tuned to what actually needs to be changed. We need to know what the difference is and how the new strategy is related to the present one" (J: SS).

"The mission of the university is defined now in quite different terms, it's not what it used to be and the difference is obvious" (Pt: SS).
"I believe that the prioritising of different departments according to the new strategic goals and objectives is the biggest change in the current university policies in this domain" (Pt: SS).

At this point, employees did not specify whether they perceived the future identity possibilities as attractive or not. They were just interested in the discrepancy between current and provisional future identity. More specifically, they assessed the degree of the discrepancy (i.e. the identity gap). They perceived to be a very narrow identity gap when they felt that there was a high degree of correspondence between current and provisional future identity, which means that they felt that nothing had actually changed. Consequently, employees perceived change as artificial, illegitimate and unnecessary because they believed that the organisation’s current state was sufficiently aligned with the future and as a result they interpreted change as non-engaging.

"It’s artificial because nothing has changed" (D: SS).

“We are ‘there’ already. They talk about excellence in research, but we’ve done that; they talk about creating an established image and reputation, but we are a well-known and established school. So, I really believe that all these are absolutely unnecessary and pointless” (Rh: EE).

Examining the process of sensemaking, it was apparent that employees proceeded to the evaluation of the future identity possibilities in order to develop fully elaborated future identities only in the case where they decided that something actually had changed in the organisation. Otherwise, this part of the process did not make sense to them and constituted a source of cognitive inertia.

“You ask me to evaluate the change, whether I like it or not. However, I can’t do that since nothing has changed” (R: SS).

“The only thing I can say about the supposed change is that it is artificial, just to pretend that we are moving since it doesn’t propose and change anything actually” (Ev: SS).

Identification of the degree of the discrepancy between present and provisional future organisational identity also followed two different routes. Employees who perceived the future identity possibilities of the organisation to be very different from the present identity, believed the future was unattainable and impossible and they interpreted change as non-engaging.
"We'll never be like a firm operating in a competitive business industry, this is completely different from what we are, and from our mission and role in the society. This means that the management of the university will never be able to implement their dream, probably they work in the wrong environment, because it is not tailored to our needs" (Ad: SS).

"I don't believe that we are ever going to be Oxford University or Imperial College, and definitely not with the introduction of these changes. The difference is very big and we know what we can do as a university and what not and what we can do as an industrial corporation and what not" (J: SS).

A very wide identity gap also created feelings of inability to understand the exact content of the proposed change. Since employees used the cognitive schemas of perceived organisational identity and image to interpret and make sense of new programmes and fundamental changes, these finite sets of constructs inhibited employees' understanding of the new initiative, because the concepts were not part of their existing organisational schemas. Consequently, the new initiative was met with apathy and employees were not motivated to please those requesting the change and engage in its realisation.

"Even though they don't suggest something completely strange and incomprehensible, I cannot apply it to our university. It's common sense that every firm has a business strategy and a lot of strategic changes are being proposed during its life, but what does this mean for a university? What is it supposed to suggest?" (J: SM).

"Prioritising, business strategy, recruitment policies, corporate identities, they are crap aren't they? What's the relevance with our university? Will they make a difference to the way we operate, we do research, we teach? I don't think so, because they don't make sense. Nobody understands them, and what they are planned to do. That's why nobody really cares and throws everything in the bin. At least, that's what I do" (J: SS).

This further implies that to the extent that the organisational changes are not acknowledged and mirrored in employees' modified organisational definitions and future identity possibilities, employees fail to orient subjectively to an objective reality (Breakwell, 1986). However, when employees believed that they could relate to the provisional identities, they believed the change was possible and feasible.
"The truth is that before even the change programme I was familiar with our image and communication problems. So, I believe that the need was correctly sensed by the management of the university who proposed some really good and ‘appropriate’ changes” (T: SM).

"Even though it’s a different approach overall, it’s not that strange to our university. We can think and work under these terms” (Cl: SM).

"It’s not really impossible to think of the university in these terms. Even though it’s not a usual practice for academic institutions in this country to react in this more business-like way, with promoting and changing corporate identities, logos, and integrating the university’s corporate communications, I can see where they are coming from, and I feel that they fit in the university’s mission” (Ed: SM).

Breakwell (1986) also argues that the extent and speed of identity modifications following change are likely to depend upon how much revision of identity content is demanded. She proposed that the greater the revision required, the longer it will take to achieve and the slower will be its onset. Even positively regarded, changes will take longer if they are extensive, and extensive changes are less likely to be regarded positively anyway. In this sense, it has been shown here that changes creating a wide gap between perceptions of the present and the provisional future OIs, even when they are positive, may be interpreted as non-engaging by employees.

Employees also perceived that there was a discrepancy between their perceptions of the future organisational image and the current organisational identity as a result of the proposed change initiative. Employees saw that the organisational change was creating and projecting a different image for the consumption of internal and external audiences, which presented the university in different and more attractive terms than what it was perceived so far. In other words, perceptions of attractive future images or impressions (Grunig, 1993) as a result of the change prompted employees to compare their perceived current identity and future external image.

“We want to create the reputation that we are a leading university in teaching and in research. This means, however, that we also need to become one and we’d love to become one” (Ed: SM).
“We want to be seen as a part of the elite in academia, but we are not there yet” (A: SM).

“We try to enhance our image in the eyes of the public and our community” (H: SM).

Moreover, it was made apparent that employees assessed the proposed change by exploring the perceived width of the discrepancy between the current OI and the desired future organisational image - the image gap - as they did when they assessed the perceived identity gaps. When the gap was perceived to be too wide, change was interpreted as unattainable and employees were feeling high organisational stress as they had to fulfil an image, which was purely impossible but nonetheless desired; as a result they reported resisting attempts to achieve the change.

“I don’t believe that this image will ever be realised” (D: SS).

“The management of the school initiated a change programme accompanied by a significant change at the logo and corporate identity of the school, to change the image of the university among other things. However, what they are promoting is very different from what the school is at the moment and I don’t think that we’ll ever be that way” (J: SS).

“When you meet people from now on, you’ll know that they have in mind the new promotional material and the new image of the school and they will be looking for those. But if you think that this is never going to be true, how do you talk to them? Do you defend your school’s marketing or not?” (JL: SM).

The proposed future image was further perceived to be very discrepant from the current identity of the university in cases where it was not assisted by a supportive communication climate\(^{45}\) explicating what needs to be done to realise the change. So even though employees may have felt as if they wanted to follow the change, they didn’t comprehend it and were unwilling to support it.

“I don’t think that I am going to support the change, because it doesn’t make sense” (Pt: SS).

\(^{45}\) The notion of communication and the role it plays in the interpretation of change will be further explored in Chapters Seven and Eight.
"We have received thousands of leaflets about what we would like to be in ten years time or so. OK. But how? No one talks about it" (J: SS).

"What I need to know right now is not how we want others to see us, but how we are going to achieve that" (CI: SM).

"If we want to be realistic, can you change your image without knowing how to do it? You don't even know and understand the language that goes with this new business-oriented image" (K: EE).

Employees reported the same feeling of non-comprehensiveness and unwillingness to provide support when the declared future image was thought not to be accompanied by any substantial changes. In that case, it was labelled as artificial and it still did not manage to engage employees in its realisation.

"I agree to change your image in order to become more attractive and competitive. But where are the real changes to support the new image?" (J: SS).

"The announced strategic change is supposed to change the way we work and operate. So far, the only thing that has changed is our marketing policy, because now we have one, and our logo, nothing else. However, these changes are not real, they are just fancy words in 'fancy dress', if you know what I mean. So, who believes them...?" (JI: SM).

However, the difference between this part of the analysis and that concerning the identity gap is that employees made sense of the change not only by assessing the discrepancy between perceptions of the provisional future and present identity, but also by assessing the effect of the future organisational images on their perceptions of identity. Employees saw the development of future images different from the present ones, as a medium in order to examine their perceptions of the organisation’s identity, which could further facilitate or inhibit change.

"When you see yourself in the future, or when you think about the effect this change would have on people’s perceptions about you and the university, you really wonder how it is going to affect the way you behave and work" (Y: EE).
"Isn't it that if you want people to think of the university in a different way, the university needs to change at the end of the day?" (S: EE).

"If the university wants to realise the proposed and announced changes, it must change in some substantially way" (Pt: SS).

Overall then, not only identity but also image was vivid in employees' perceptual processes which also influenced their interpretation of change. This finding suggested one further proposition:

Proposition 4: Perceptions of image will be differentially related to change interpretation.

  Proposition 4a: Present image will be related to non-engaging interpretation.

  Proposition 4b: Future image will be related to attractive interpretation.

Furthermore, the findings suggested that the interpretation of change is related to employees' ability to understand the intended change. This finding suggests the following proposition:

Proposition 5: Perceptions of the wideness of the identity and image gap will be related to change interpretation.

Summarising, it was evident that embracing change and interpreting it in favourable terms is a necessary, but insufficient condition for success in changing environments. Employees also must understand how to change. The results so far have shown that the greater the revision and the discrepancy required between the perceived future and the current identity and image, the less likely change will be interpreted as engaging. On the other hand, employees need to perceive that there is some kind of change in order to follow it. Finally, the results indicate that even though current organisational identity schemas, which are salient in times of transformational organisational change (Bartunek, 1984) are a significant source of cognitive resistance to change (Reger et al., 1994) - since changing any well-entrenched schema is very difficult - identity change can be facilitated through its interrelationship with image mainly by underlining the inefficiency of perceived current identities and pulling identity into subsequent alignment with the desired future image.
6.4.3. Perceptions of Desirability and Devaluing

Figure 17. The bottom part of the model

When the discrepancy between the present and provisional future organisational perceptions (future/present identity – desired future image/present identity – desired present image/future identity) instigated by the change initiative allowed employees to understand the change which was seen as important and substantially different, employees went on analysing the future organisational possibilities as proposed by the change. The data suggested that employees interpreted organisational change by assessing the value of the proposed future aspects or provisional content of the organisation's identity. The allocation of meaning and value followed two different pathways: a) Employees perceived the provisional and possible future OI as enhancing the value of their perceived OIs, and consequently they labelled change as attractive. b) Employees perceived the provisional
future OI as devaluing their identities, and consequently they labelled change as non-engaging.

“In a way, I feel proud of these changes; I feel that our university tries for the best, and this is very positive” (H: SM).

“The new image of the university and our department will definitely make us feel better and look better” (Ed: SM).

“The university so far had some things that didn’t work well, which we were trying to avoid and perhaps ignore. However, nowadays, with the change, it will give us the position we deserve” (Rh: EE).

The attribution of value to future identity possibilities concerned a constant comparison between the prospective and current content of identity based on an appreciation of the effect of the prospective content on the value employees put on the cherished elements of their identities. Breakwell (1986) argues that the assimilation of the prospective content of identity into the identity structure will depend upon the value attached to it, whether positive or negative, which is attributed to it on the basis of beliefs and values in interaction with previously established personal value codes. The assimilation of the prospective new content into the identity structure indicates that employees are able to make sense of the change and that more elaborated future OIs have been established. The data suggested that the establishment of the value of the prospective identity content was closely related if not depended upon employees’ salient perceptual lenses of organisational identity and image (present and future). Salient provisional future identity and desired future image schemas guided positive evaluations of the prospective content of identity possibilities proposed by the change, by enhancing the value of employees’ OIs. On the other hand, desired present identity and image schemas guided negative evaluations of the prospective content of identity by devaluing cherished attributes of employees’ perceived present identities. Employees’ schemas erected the criteria of worth against which evaluation must take place.

In the case where the strategic reorientation activated employees’ provisional future organisational schemas their organisational membership was made salient in selective future organisational categories. It has already been argued that the activation of provisional future identity schemas implies that employees had already started to experiment with and incorporate some of the new characteristics into the identity structure
on the content dimension (Breakwell, 1986). The efficacy of the provisional future identity schemas in guiding the formation of fully elaborated future identities as well as sensemaking was premised upon two assumptions. Firstly, that the demands which will be manifest in the changed position are known in advance and can be understood (an assumption that was elaborated in Sections 6.4.2 and 6.4.2); and, secondly, that these demands do not destroy self-esteem. The salience of the provisional future OI schemas may obviate potential threats to continuity and distinctiveness but not those to self-esteem. In this sense, the provisional future organisational schemas mainly highlighted categorisations that emphasised positive attributes of the prospective content of the organisation's identity supported by the change.

“It gives us a new basis not only to look better, but more important, to improve our status, our standards... everything” (Y: EE).

“It makes us more respectable and puts the university among the top institutions in the country. And the change will be soon reflected in the published teaching and research rankings” (T: SM)

“What we are trying to achieve is so fascinating, that only this matters right now” (H: SM).

The process of evaluating the prospective content of identity was guided by the principles of distinctiveness, esteem, efficacy, and continuity. According to Breakwell (1986), these principles represent the fundamental codes, which guide the process of evaluation and specify the end states, which are attractive for identity. The process of evaluation can be predicted from these principles which will guide the elaboration and formation of employees' future identities leading to favourable or not interpretations of change. In this context, the principles took the form of organisational distinctiveness, esteem, efficacy and continuity. These principles were also the motivational basis for the formation of fully elaborated future identities that incorporated the new organisational definitions and evaluations as they were the principles upon which employees judged the attractiveness of the future identity formation as proposed by the change.

The proposed changes were seen by a number of employees as having the power to enhance the value of their perceived future organisational identities on all four fronts (even though not simultaneously): distinctiveness, esteem, continuity and efficacy. The value of identity was clearly enhanced by modifications in distinctiveness.
"I expect that after the change the university will be a reborn one. It will be something different, a place with a unique mission and strategy" (M: SM).

"I remember when I first came to the university I remember how much I would like the university to have a specific distinctive character; to be known for something unique, for example for its expertise in the service sector, and I think now that's what it's being happening" (Ed: SM).

The above quotes suggest that employees value their organisation being unique, different from others. Theories of social identity assert that people seek to accentuate their own distinctiveness in interpersonal contexts (Tajfel & Turner, 1985). The distinctiveness, however, had to be in ways, which were positively valued. As a result, employees perceived the proposed change as enhancing their membership's distinctiveness, making such distinctiveness actually desirable.

"It will make us unique and different in comparison with other universities. I don’t believe that a lot of schools in the country have initiated such strategies that could give us a huge competitive advantage" (Rh: EE).

"I don’t think it will be the same, it gets even better for me, it makes me feel that I am part of a quite different environment. I am actually looking forward to that bit of it" (P: EE).

"It’s being transformed in a place... I don’t know, I’ve worked all over the country, different places, but I think this place is becoming special... Probably you’ll be able to say in the future that I’ve worked in a place like this...” (Ed: SM).

When the enhanced distinctiveness is desirable, then it may necessitate considerable transformation of the existing content and value dimensions of identity, but it will not constitute a threat via the abrogation of distinctiveness (Breakwell, 1986). In fact, in the present context the threat was evident only through the disjuncture in continuity of the content of identity that it would entail. However, employees showed that this threat was not evident because of the anticipatory salience of their provisional future OI schemas. Consequently, employees interpreted organisational change as attractive when the prospective content of their identities provided them with an enhanced sense of distinctiveness that the current content could not offer. This finding further highlighted the
inefficiency of the perceived current identity as far as the value of distinctiveness is concerned.

"We are going to be unique, and everyone will know about it, something that has never happened at this university. We'll be unique, just like LSE for example" (Mk: TM).

"This change clearly shows how little recognised and unique we were. But this hopefully is going to change now" (Cl: SM).

Kunda (1992: 177) also described how engineers in Tech accepted the new identity of their company because it proposed uniquely honest business practices. Dutton et al. (1994) argued that organisational members who believe that their organisation proposes a new distinctive culture, strategy, structure or some other configuration of distinctive characteristics are likely to be willing to support the change. However, the above quotes indicate that perceptions of distinctiveness were closely related to attributions of mimetic characteristics to the character of the university. In this sense, it was imitating other elite institutions that would make the university distinctive. This finding underlines the introduction of paradox and demands for further exploration of the defining notion of distinctiveness in cases of transformational change.

Moreover, the focus on the value of distinctiveness leads naturally to the issue of organisational esteem. It is defined as a positive evaluation of the organisation and the reflected positive evaluation of oneself as a member of this organisation. This definition includes employees' intrinsic pride in their sense of organisational-self, as reflected in their organisation's overt achievements and/or their own situation as members of the organisation.

"The university in a way underestimated its value, its abilities... It is capable of being among the best... But now it's in honour of its tradition that it tries to respond and improve its practices and reputation" (P: EE).

"The more I think of the university after the change, and the more I imagine of what the result would be, I think, this is a great opportunity" (Ed: SM).

"It really feels good being part of a good university, with the prospect of becoming even better" (K: EE).
"I am proud of what I have achieved so far, and to be honest, it is part due to the institution, because it is equally significant with your personal work, the opportunity to work for a respectable university. And I am positive, that we both will continue working towards this direction" (Rh: EE).

Employees’ positive expectations of the prospective content and future status of their organisational membership contributed to the enhancement of their self-esteem. The change positively challenged – and in some instances even praised – employees’ prior claims about the relative standing or status of their university.

"We used to be a good and respectable institution, but after the change and if their assertions are right, we are going to be a leading, top-tier institution. Having said that, I am sure I can buy into the change because I like what it promises for the university" (Ed: SM).

"For years we claimed that we were in the top 20, but now we are going to improve and build up our ability to claim that we are in a top group” (Cl: SM).

The above quotes show that employees’ perceptions of increased distinctiveness and esteem guided favourable evaluations of the provisional future OI and initiated the accommodation of new identity elements into the identity structure motivating attractive interpretations of change. The quotes also indicate that employees highlighted the inadequacy of their current identity claims, comparing them with the highly valued prospective identity content. Moreover, employees also viewed the prospective content as enhancing appropriate and valued facets of the organisation’s current identity and therefore perceived the provisional future identity as attractive. In particular, they perceived the prospective content as enhancing the merit or importance of core and enduring organisational traits:

"We’ve always been a university dedicated to research excellence. But now, we make it more explicit, it is our target” (Y: EE).

“A central dimension of our university was always partnerships with industry. The programme simply brought it forward” (Rh: EE).

“What mainly happened with this change was that the main character of the university became visible and acquainted special meaning; it became the vision for the future” (M: SM).
Chapter Six - A Process Model of Change Sensemaking

The feeling of enhancing the importance of the core organisational characteristics was strongly associated with the way employees perceived the core of their organisation. They perceived the core in quite expansive and ambiguous terms, i.e. research excellence, teaching excellence, partnership with industry, 'understanding the real world', 'becoming a top-tier university'. Further, it was indicated that the ambiguity introduced by the change in the perceptions of the organisational core created a desire for its resolution and especially the ambiguity related with the desired construed future image of the organisation.

"When they say that we are or we are going to be a top tier university, which is without doubt very attractive, you immediately want to know how you can achieve that. You need more information about what it means, because right now it's not very clear... what are the implications for you and your work" (JI: SM).

Gioia and Chittipeddi (1991) introduce the notion of ambiguity by design when they refer to the ambiguity related with the future organisational image, which is proposed by top managers in order to destabilise existing interpretations. Employees of the current sample seemed to express a desire for altering the existing interpretations that deemed to be inadequate while they were still connected with the organisation's history.

"In the past being a top university required quite different values and practices from what is required today. We couldn't even think about impression management and marketing in academia. Today, we need to do it, if we want to be at the top" (Mk: TM).

"Talking about being a top university or becoming one implies a change of the way we used to work and think of success as a university. More things need to be added to the equation without forgetting the target, becoming a top institution" (T: SM).

The ambiguity entailed in the proposed future images (i.e. top-tier) enabled employees to maintain the stability and continuity in the perceptions of their identities needed for them to be able to make sense of their experiences and to achieve the necessary change incorporating the new elements into the core identity structures (see Barney's, 1998, example of Koch industries' labelling itself as a 'discovery' company, which fostered change and adaptation). This ambiguity in employees' perceptions prepared them to
embrace change while simultaneously provided a sense of continuity. This finding further implies that change does not occur through replacement since employees do not perceive major disruptions in the continuity of their identity. In this sense, ambiguity-by-design motivated consistency with, but departure from, the present identity in need of current reorientation towards other possibilities. Furthermore, it could be implied that there has been a revision of the salience of the principles guiding assimilation. Employees rearranged priorities between them, implying that the change, which abrogated continuity had become tolerable because continuity was attributed less importance than, say, distinctiveness and esteem. Besides, the principle of continuity was modified based on an ambiguously core character in order for employees to assimilate the new components into the identity structure and interpret change as attractive.

Employees’ interpretations of change as attractive were finally strongly related to their perceptions of organisational-efficacy. Relevant to Bandura’s (1989) conceptualisation of self-efficacy, perceived organisational efficacy is concerned in this study with beliefs in the organisation’s capabilities to mobilise the motivation, cognitive resources and course of action needed to meet given situational demands. Employees referred to their sense of their organisation as being/not being efficacious or having/not having control over realising the new strategic reorientation and being/not being able to deliver what it promises to deliver. It should be added that perceptions of efficacy have nothing to do with the outcome (positive or negative) of the behaviour. It is purely to do with whether or not employees believe that the organisation could ‘behave’ in that way. In this respect, perceived organisational efficacy is the foundation-stone of organisational agency.

“I don’t only like this change, but I strongly believe that we will be able to implement it” (Ed: SM).

“Besides the university has all the resources and the power to realise this change. It is the only way forward” (M: SM).

It is evident from the analysis so far that the implemented programme had resulted in changes to employees’ identity structure through the assimilation of the new components proposed by the change programme into their identity structures. It can be argued that employees went through a process of redefining the meaning of certain aspects of identity, i.e. the identity content “I am a member of a traditional and old university” underwent a change to “I am a member of an innovative strategic organisation”. This process may have
been set into motion by characteristics of the change that increased employees' sense of organisational distinctiveness, esteem, and efficacy as well as the value of central and core organisational attributes. The enhancement of the value of the identity principles called for a re-appraisal and shift in employee organisational perceptions, which was actually initiated because they were happy with the provisional organisational perceptions, and considered change to be attractive.

This perspective emphasises that identity is no mere product – it acts purposively to its own ends in accordance with its guiding principles. In terms of the process of evaluation, this means that current identity is comparing itself with the planned, provisional end-state and coming to conclusions about what still needs to be done. The absence of movement towards the provisional and possible future identity may result in a sense of failure and a consequent slump in self-esteem (Breakwell, 1986).

"The truth is that I would be really disappointed if the university would not succeed in this change" (Ed: SM).

"I want to work towards that end because otherwise if the declarations fail, we will fail altogether" (Cl: SM).

The act of the individual who apparently initiates movement from one identity structure to another, is explained in terms of the search for a positively valued future identity (Tajfel, 1978). The implication is that the process of evaluation has led to an unsatisfactory result, that is, an abrogation of one of the guiding principles of the identity processes (Breakwell, 1986). The process of assimilation-accommodation is then set into motion to incorporate elements into identity, which will result in a more positive self-regard or to eject those which are defleating self-esteem (Breakwell, 1986). Findings so far suggested that employees evaluate the prospective content of identity and when they find that it enhances the value of distinctiveness, esteem and efficacy and even continuity, and consequently underline the inadequacy of their current identities, they are ready to make the identity changes incorporating the prospective content and interpret change as attractive.

"I think that the university has already changed. It's dynamic, responsive, flexible and very different from how it used to be. The result is really great” (S: EE).

"We give now the impression that we are among the top, I think... and we believe we are... we like being among the best” (Y: EE).
"We are a business organisation now, responsive to industry needs. We try to understand our students and the industry’s needs and tailor our programmes accordingly" (T: SM).

“I even kind of getting used to or like the new visual image of the university, UNIS... It’s more dynamic, I don’t know how we could put up with that old traditional image. If you put the two together, you can clearly see the difference” (E: EE).

At the same time, the findings suggested that some aspects of the prospective content of identity threatened some employees’ perceptions of their organisation’s current identity by calling into question the merit or importance of core, distinctive, valued, efficacious and enduring organisational traits associated with their institution.

“The first criterion of our evaluation is definitely not our students’ satisfaction with teaching, and you can see that when we are actually being assessed. And this in a way challenges our strong research tradition” (Ad: SS).

Breakwell (1986) argues that the process of evaluation involves the comparison of present identity structures with potential future structures. The data suggest that employees’ perceptions of their university’s existing identity were threatened by the new strategic orientation and change of the university (i.e. the provisional content of the institution’s identity). Many employees in the sample perceived to be a discrepancy between their organisation’s desired present identity and the provisional future identity attributed to it by the reorientation which caused cognitive distress (Breakwell, 1986). It was helpful then to conceptualise this cognitive distress as a kind of ‘identity dissonance’ which was viewed as evidence of identity threats.

“To be perfectly honest, this whole effort made us sound and look like we were standing still as an institution and a department, which is really unfair” (P: EE).

“None of the changes that had taken place in our department before even the marketing exercise were ever detailed” (A: SM).

“They want the university to change in a way that doesn’t reflect its true character” (X: SS).
“It’s a travesty” (Ad: SS).

However, employees’ perceptions of their departments’ identities were also threatened by the change. According to several employees, desired dimensions of a department’s identity that were not included in the strategic reorientation and the prospective identity of the school were perceived as less important and perhaps even irrelevant as indicators of the university’s performance or quality. In other words, employees suddenly found that the desired core identity dimensions of their departments had little influence in determining the university’s success.

“Most in the department don’t think that we were represented properly” (Ev: SS).

“We put great emphasis on fundamental research at this department. However, fundamental research does not always bring the big money. And since we are judged by how much money we bring in, how can we have a place in the university’s success?” (Pt: SS).

The strategic reorientation, by excluding certain historically important and enduring departmental and institutional characteristics, was perceived as threatening the desired core identity dimensions of some members, even of those who belonged in departments highly represented in and highly valued by the new organisational paradigm. The new organisational orientation posed two types of organisational identity threats: (1) threats to the value of perceived and desired core attributes, and (2) threats to the perceived positional status of the university. Threats to the value of the university’s core identity attributes reflected employees’ reactions to the discrepancy between their own beliefs of the value of the institution’s desired core attributes and the value attributed to them by the change programme.

“I highly value fundamental research, they say now that we must strive for applied” (J: SS).

“The university as a whole now, and I mean its management, wants to be the best place not only in research, teaching, etc. but also in marketing, mission statements and logos. But who really cares about them? They don’t give value to the university if they don’t support and improve the fundamentals” (Ev: SS).
Data suggest that many employees felt that the organisational reorientation either underestimates the importance of, or overlooked entirely key attributes of the organisation's desired present core identity. An employee from the management department, for example, claimed that the change initiative had completely overlooked the innovativeness of the department's programme:

"What they declare to be doing by the end of this year, and I underline the time frame, we may have been doing it 4 or 5 years ago. We have already developed an innovative management programme, with specialisations not existing in other schools, and especially linking the management discipline with the industry. But they make it look as something new and not established, that we are going to achieve in the future, when the truth is that we're already established, and we need to enjoy the rewards of our success" (JI: SM).

Similarly, employees complained that the change programme failed to recognise the university's excellence in faculty research. As one put it:

"What bothers me is the need to limit all our qualities down to one main feature. They end up marketing things that aren't important. For example, we've spent time talking to management about including faculty research in the communication and marketing material, but is was not within their interests" (M: SM).

Some employees also expressed frustration over the programme's neglect of student culture by claiming:

"An enormous part of what makes our school special is not susceptible to quantification. Students have risen to major roles in the school as well as the industry which would be unheard of at other schools" (J: SS).

It is important to note that even employees of highly ranked or highly represented departments in the change programme seemed to perceive the change results as threatening and displayed signs of distress over the fact that the change overlooked or devalued cherished dimensions of the university's and their department's identities. One employee from the management department, noting again its highly innovative programme, complained:
"The official change programme has detailed none of the changes that have taken place over the last two years" (A: SM).

Similarly, rather than dwelling on positive attributes that the strategic reorientation had attributed to its programme, an employee from the electrical and electronics department complained that the programme failed to recognise its continuous improvement.

"I was a little upset when I read the relevant documents. They made us sound like we hadn't done any improvements for years" (P: EE).

Finally, several employees claimed that the new programme’s focus on teaching was perceived as a threat to the value of faculty research. Even further, the focus on applied research was perceived as a threat to the value of fundamental research valued especially within the Social Sciences and Management department.

"Some think the whole thing of teaching is over targeted and are worried that we pay more attention to it than things like research" (JI: SM).

"What really makes us proud is fundamental social research, not applied as the official documents propose. The point is that in our area, when you are known for applied research you are not respected that much. Fundamental research is the aim" (X: SS).

The above quotes also indicate that employees did not feel only a sense of devaluation of the important core organisational attributes, but also a challenge to their self, departmental and organisational efficacy. Employees indicated that they have already performed the required tasks successfully, but they were never recognised for their effort. On the contrary, the change programme made them feel incapable and ineffective in performing their roles.

"We are doing a great job, but no one seems to care. We have achieved a lot in all the areas, but they talk as if nothing has been done. What are we supposed to do then? Is this some kind of punishment?" (JI: SM).

It was evident, then, that where the provisional content of identity threatened self- and organisational-esteem, employees engaged in the exercise of perceived organisational efficacy in order to regain esteem. But even in these cases, perceived efficacy was also devalued by the change programme. The strong connection between esteem and efficacy is supported by Gecas and Schwalbe (1983) who suggested that the self-concept is also
Based upon the person’s own understanding of his or her actions in the world, especially efficacious actions, leading to a dynamic view of human beings. Here interviews have shown that employees further based their organisational concept upon their understanding and expectations of the university’s actions in the world. In this sense, employees perceived that the university was not effective and able in delivering what it promised to deliver, in other words, they didn’t believe it was able to realise the change.

“I don’t believe that any of the changes will be realised ever” (Ev: SS).

“No matter what they say, I don’t think they will make it. That’s why the change programme stayed at the stage of design, without initiating actually any of the changes. They don’t know how to do it, no matter how humiliating this sounds” (R: SS).

The challenge of organisational efficacy also involved perceptions of efficacy in areas of activity, which employees had learnt not to consider to be of social value or as part of their personal development.

“Marketing, logos, mission statements, who really cares in academia about these things. We don’t even care about teaching excellence, which we declare that is our strong point. You saw what was going on at the QAA exercise, didn’t you? Besides these are not the qualities for which we would like to be known” (Ad: SS).

“Of course I can deliver results in these areas. It’s easy. However, it’s not important, and you need to care about your CV... always” (JI: SM).

The feeling of diminished efficacy was further associated with a sense of constraint on employees’ individual autonomy.

“You know, right now I don’t feel I can do anything, I’ve never been asked and I feel that I cannot produce what I want, everything has been decided and I have to follow rules” (J: SS).

“My job so far and especially in academia is to do what you feel important and interesting; suddenly, this doesn’t matter any more” (JI: SM).

“I don’t even have enough resources to plan and follow on our plans, because in a way they are decided according to your contribution to the ‘big enterprise’ plan” (JI: SM).
The above employee clearly linked perceptions of efficacy not only with a sense of autonomy but also with a sense of controlling in a way the necessary resources for the successful performance of her roles. Employees also felt that they could not control any more the future of the university by affecting it towards their desired end-state.

"What I want for the university, the department and my self are honestly quite different, or to say it better, our priorities differ" (JI: SM).

"I would be much happier if our interests and objectives were more aligned, or even the ways to achieve them. Unfortunately, I can't do anything especially now" (J: SS).

Perceptions of organisational efficacy were strongly linked with employees' perceptions of organisational distinctiveness. The prospective content of the organisation's identity challenged employees' perceptions of the value of distinctiveness of the current content of their organisational identity.

"Is it a good thing that we will try to keep in touch with the real world? Does this mean that so far we had lost our touch, we were doing something non-pragmatic?" (J: SS).

"We don't capitalise on what we are known for, but instead we try to invent things for which we are not very proud of" (Ad: SS).

"We were special in our own way. But now most of our good and special elements are not promoted any more. The most important elements for me, and this is actually why I joined this group, was the strong tradition in social psychological research, and I expected that we could organise strong research teams focused on a specific area. This would make us special, like Oxford for example. But it's not happening" (X: SS).

The above quote clearly indicated that the process of evaluation entailed social comparisons in order to establish worth. Festinger (1954) first formulated the theory of social comparison processes, arguing that people establish the validity of their beliefs and attitudes by comparing them with those of others. Beliefs about the value of the organisation can be argued to be subject to social confirmation through the continual process of comparison. When employees compared their university with an actual top institution, the loss of value especially in the domains of distinctiveness and efficacy was made even more evident and threatening. At the same time, the change represented a
threat to putative rather than achieved distinctiveness. The finding represents a stance against the loss of distinctiveness and its positive role in employees' perceptions of organisational change as attractive, as the mimetic comparisons with a top institution were perceived as attributing legitimacy to change and as actually promoting an attractive future identity and image. Furthermore, according to the employees' point of view, one of the central questions concerned whether the prospective distinctiveness was actually desirable.

"The problem is that this change is not going to make us look special. It is obvious that we try to imitate some of the best universities, and look like them" (D: SS).

"I don't think that we want to be known for an institution that has become a business organisation, because the implications of that are not welcomed. It means that we are money conscious, looking for money and that we create client relationships with our students. But this is not what academia and universities should be" (J: SM).

The focus on the value of distinctiveness led to another aspect of the issue of esteem, which depended upon the positional status attributed to employees' institution as a result of the change programme. Threats to the university's positional status reflected reactions to the discrepancy between employees' beliefs about their institution's positional status and that assigned to it by the change programme. The new orientation challenged employees' prior claims about the relative standing or status of their university and challenged the credibility of their assertions that they are a leading, cutting-edge institution.

"I look at some of the schools, and I have a hard time believing, from what I know, that they really belong ahead of us, that we want to be like them. So, in that sense I'm in denial" (J: SS).

"They would say I am cynical but I am really disappointed, because all these make us look like a new university, depreciating our status in the academic environment" (Ad: SS).

Moreover, interview evidence suggested that employees perceived as threat to the positional status not only the devaluation of the institution's status but also the devaluation of the status of their individual departments. Employees from departments which were not
perceived as highly visible and represented at the university’s new strategic effort experienced varying levels of dissonance regarding their beliefs about their department’s positioning among the other departments. This dissonance reflected a perceived threat to the department’s positional status since it challenged employees’ perceptions and claims about their department’s positional status.

“Our department has a very good international standing, but this is not reflected in the programme. We are completely ignored so far in comparison with other departments that have all the attention” (Cl: SM).

Such threats to positional status, emphasised even more by the prioritising of some departments, are important to employees’ perceptions of the organisation’s and the department’s identity because they threaten the perceived favourability of comparisons with its peer departments.

“We are definitely not valued as much as other departments, and this is obvious since we don’t bring the money” (Pt: SS).

“Priority is being given to those who bring the money. The problem though is that if you don’t bring the money, you are not considered as good as the others” (JI: SM).

As Frank (1985: 7) noted, many of the rewards or goods for which individuals and organisations compete are positional goods, “sought after less because of any absolute property they possess rather than because they compare favourably with others in their own class”.

“Our department, for example, is sought less for its absolute quality than for its high position among the other departments in general” (Cl: SM).

However, employees perceived as threats to the positional status of the university not only the negative evaluated discrepancies but also those who were unattainably positive. This issue is mainly related to the perceptions of the width of the discrepancy between employees’ beliefs and those asserted by the change effort.

“The change programme asserts that we are going to be a top university, among the best in the country. The truth is that no one believes this is possible. We are a good institution but not the best. So, in this case, it is quite embarrassing to say something that you don’t believe is true” (JI: SM).
Overall, the data indicate that employees did not passively accept their top management conceptualisations about the future strategic reorientation and identity of the institution, nor, however, did they completely discount it. Since the proposed changes were open to multiple and conflicting interpretations and value orientations, they generated interpretative ambiguity and dissonance and motivated employees to engage in sensemaking behaviour. As Weick (1995: 100) argued, occasions that seem incongruous or that "violate expectational frameworks" prompt organisational sensemaking.

It has to be noted here that the above discussion does not generate any further propositions since the evaluation of the provisional OIs is considered an inherent part of the identity change process guiding the formulation of an attractive perceived future OI or the affirmation of an attractive perceived present OI. However, since the evaluation of change was considered to be an inherent element of its interpretation, as it was also revealed and discussed in Chapter Five it was decided that the identity principles that guide evaluation would constitute an inherent part of the measure of change interpretation that will be developed in Chapter Seven.

A point that needs further explanation is the finding that employees' departmental sub-identities were salient only when employees felt that the proposed change devalued their department's and organisation's positional status and value. Employees did not refer to their departmental sub-identities when they perceived change as enhancing the value of their membership. Employees' perceptions of devaluation of current organisational identities led them to describe themselves in terms of their departmental affiliations in order to affect their social identities by highlighting those categories that contributed to a positive identity. Turner's (1987) research on self-categorisation confirms the above finding and reaffirms employees' efforts to use cognitive tactics to maintain positive perceptions of their identities. When membership in one category (i.e. university membership) is identity-threatening implying a negative social identity, a person can reaffirm a positive perception of self by selectively making salient other unthreatened categories (i.e. departmental or professional affiliation) (Hogg & Abrams, 1988). However, when these departmental memberships did not highlight positive attributes in terms of value and positional status, change was interpreted as non-engaging.

It should be noted at this point that the exploration of the cognitive tactics employees used to deal with identity threats was not one of the main aims of the research, so the results of this final part of the analysis should be regarded as general indications and should be
treated with caution. Employees cognitively responded to the identity-threatening change by highlighting positive institutional and departmental attributes as well as favourable social comparisons not emphasised by the change (Elsbach & Kramer, 1996). In this sense, they affirmed their positive perceptions of their present identities instead of attempting to place their university and their department in new categories. By contrast, employees who experienced less identity dissonance had less motivation to affirm organisational identity by highlighting alternate identity dimensions. The favourable position within the change programme itself affirmed employees’ perceptions of their organisation’s identity, especially those identity dimensions that were highly valued by the change.

However, employees from departments highly represented in and valued by the strategic reorientation of the university also tried to reaffirm their identities by selectively categorising their department and university along central identity dimensions not recognised by the change as important. To the extent that the change was perceived as overlooking or minimising other valued dimensions, it seemed to motivate employees to affirm neglected facets of their organisation’s identity even though they had no reason to manage organisational perceptions, since the change, in general terms, was identity and image-enhancing.

Steele (1988) has argued that when responding to personal identity threats, people can enhance their self-worth by highlighting positive dimensions of their identities that are unrelated to the threat. Data indicate that when employees felt that the change undervalued distinctive and central dimensions of their department that they believed should be considered in the characterisation of a department and a university, they selectively categorised the department along these alternate but valued identity dimensions. Employees from the management school, for example, categorised their departments as a ‘service sector management’ programme, implying that it was distinct from other management schools. They also noted that their programme was innovative and catered to the needs of students better than other schools, including those used as benchmarks from the management team to initiate change. As one employee noted in arguing the importance of their innovative and high-tech dimension:

“We really value our innovative culture. If the emphasis on electronic commerce and high-tech were to change, the school would loose its identity and competitive advantage” (A: SM).
"We are uniquely oriented to the needs of our students, but this is in a way unappreciated and underestimated by the whole change" (JI: SM).

"Some of the things that may improve rankings and make us a top-tier university are part of what we don’t want to change" (J: SS)

Finally, one employee from the social sciences department categorised his department in terms of the fundamental social psychological research they undertake:

"Our school is well-known for our social-psychological research. We are one of the best in the country in this domain. And this is more important metric for communicating our programme than its standing in performing applied psychological research" (Ad: SS).

Employees of the more highly visible schools also used this strategy. They seemed to feel that their departments’ identities were threatened because the change did not recognise some positive or distinctive dimensions of their department, even though it rated them highly on other dimensions. Employees from the management department, for example, emphasised that despite their high student satisfaction ratings they had not given up their highly valued academic values:

"The soul of the place has not been altered. It was never our intention to say our solid social science traditions are irrelevant" (A: SM).

In all of these instances, employees’ selective highlighting of alternative categories affirmed employees’ positive current perceptions of organisational identities. In the meantime, and even more significantly, all the above quotes denoting selective categorisations indicate that the prospective identity content has not been assimilated into employees’ identity structure. In other words, no identity change has been actualised.

6.4. DISCUSSION

Studies concerning deliberate strategic change typically have investigated the impact of various demographic and economic factors on different aspects of change (e.g., Ginsberg, 1988; Barnett & Pratt, 2000; Eisenbach Watson & Pillai, 1999). Although these studies have established statistically significant relationships (e.g., senior management characteristics, organisational structure, and effectiveness), they have not provided detailed descriptions about how employees fundamentally make sense of such dramatic changes and consequently about how these changes are accomplished (Greiner &
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Bhambri, 1989). The dynamics of employee sensemaking of a transformational strategic change process (as in the case of the university case study), perhaps especially concerning the precarious period when strategic change is just being instigated, have not been well studied. Understanding this initial period is particularly relevant for organisations where strategic change is a relatively new and problematic concept representing the first stage of an episodic transformation. In this light, the overarching contribution of this research is the insight provided into processes involved in employee sensemaking of episodic transformational change, and especially in managing its meaning, acceptance and institutionalisation (DiMaggio & Powell, 1991). The findings here suggest a notably different view of the episodic strategic change process itself. Episodic strategic change can be understood not only as a change in the position and fit of an organisation in its environment, but as a change in the cognitive perspective represented by the new organisational reality.

In this sense, at the macro level of analysis when observers examine the flow of events that constitute changes in the position of an organisation to its environment, they see phases of inertia disturbed by occasional episodes of transformational change. From a micro perspective however, when observers examine the cognitive reframing of organisational members necessary for the realisation of change they see moderate and ongoing adaptation and adjustment. Although these adjustments are moderate, they are capable of altering strategy. In this sense, episodic and continuous change simply reflect differences in the perspective of the observer. However, for a holistic understanding of the phenomenon of change both perspectives need to be examined simultaneously. The present work contributed toward this direction as it examined how macro level variables effect change at the micro level and how micro level units respond to changes initiated by top management.

Of the findings from the case study, those concerning employees' perceptions (i.e. identity and image) and change interpretation (i.e. attractive and non-engaging) are the most revealing. Central to employees' perceptions of the organisation were the notions of identity and image. Both identity and image acted as perceptual screens or mirrors that affected employees' information processing, sensemaking and, ultimately, their interpretation of key change instances. In general, transformational change implied a revision of employees' interpretative schemas accompanied by a significant alteration in the overall perception of the organisation (Fiol, 1991). This was evident in employees'
underlying assumption that their institution would not change substantially without somehow revising their aspects and perceptions of the central, enduring and distinctive qualities of their institution – their organisational identity.

As the present sample suggested, provisional and 'possible' identities that depart from past- and present-oriented views of the organisation’s self-concept have been generated within the framework of inspiring a vision for the future. The range and level of abstraction of that departure are critical considerations during strategic change. In particular, it must be determined which ostensibly enduring elements of the organisation’s identity should change and how much they should change to affect and ultimately reflect a desired transformation of the organisation. These proposed changes must at once capture employees’ imagination as well as their engagement (Hart, 1992). Thus, transformational strategic change requires navigating between the maintenance of continuity and the management of disruption.

One of the most interesting findings concerns employees’ perceptions of a desired future image as a means of changing their current OIs involving employees to a kind of prospective sensemaking (Weick, 1995). In the university case study, employees perceived the projection of a desired future image to be the path to altering current identity, underlying its malleability and ‘pulling’ it into alignment with the desired future image. Presumably, the changing identity would further motivate progress toward the desired future image, which would further strengthen the new identity, etc. This interrelationship between identity and image implies that the concept of identity is inherently dynamic and malleable (Gioia & Thomas, 1996), which is at odds with the seminal definition of identity as the central, enduring and distinctive character of the organisation (Albert & Whetten, 1985; Dutton & Dukerich, 1991; Whetten, Lewis, & Mischel, 1992). The notion of organisational transformation indicates that core features of identity must change for transformational changes to occur. In light of the findings reported here then, it seems appropriate to include a dimension of fluidity in the conceptualisation of identity (Gioia & Thomas, 1996).

The findings of the university case study also suggested that employees’ perceptions of a desired future image were closely linked to efforts of imitating other successful universities, suggesting that they were trying to achieve eminence by becoming non-distinctive from a top-tier referent group. The emphasis on imitation indicates a decrease or absence of perceived distinctiveness from the prospective and provisional content of
identity, mainly for practical purposes, raising another caution about the ‘distinctive’ character of organisational identity (Gioia & Thomas, 1996).

The desired future image (as well as the desired future identity) was mainly conceptualised in terms of the new vision and mission, strategy and logo of the university. The literature on organisational vision (e.g., Collins & Porras, 1991; Nonaka & Takeuchi, 1995) connotes the idea that vision (rooted in the core beliefs and values of the organisation and providing an image for the future) challenges members to think differently about the organisation offering direction about what needs to be done.

Moreover, the new vision, mission, strategy and logo of the university acquired symbolic meaning in the pursuit of organisational enhancement. These symbols became the language for understanding change and the primary means by which employees grounded their perceptions of the prospective reality. Donnellon et al. (1986) and Morgan (1986) argue that symbols and especially language symbols, such as visionary images and metaphors, are basic to the process of sensemaking. Furthermore, symbols were key to the process of change interpretation and facilitation because they fostered a sense of continuity due to their inherent ambiguity (Pondy, 1983). In the present case study, for example, employees perceived change in terms of the ‘top-tier’ vision for the university. However, the meaning attributed to this symbol was that the university is already an established institution, but at the same time it’s not at the top-tier. In this sense, symbols both concealed threatening aspects of the change within the camouflage of the known (Meyer & Rowan, 1977), yet revealed those aspects that emphasised difference; but differences were rendered in terms that echoed the familiar.

This study has revealed then the use of symbols as one of the main means by which employees could accomplish substantive change. In this way, the process of accepting a transformation in the dominant organisational belief system is conceptualised as one involving both substantive action (i.e. action in terms of changing substantive identity elements of the organisation) and expressive representation for its accomplishment. Thus, the symbolic and substantive management appear more closely related than previous portrayals would cast them.

The articulation of visionary symbols and their use in strategic change is almost always initiated by top management. However, the present study suggested that their influence depended heavily on the ways in which employees interpreted these symbolic efforts. The
outcome of management’s influence to promote an alternative future image and identity for the organisation ultimately rested on employees’ interpretations and the effect employees’ identity assumptions and expectations relevant to these assumptions had on these interpretations. Chapter Three (Section 3.4.2) has already been argued that interpretation contextualises current symbolic experiences by evoking a broader cognitive schematic frame as a reference point for constructing an acceptable meaning.

The process of sensemaking in order to construct an acceptable and attractive meaning of the proposed strategic change (which was mainly conceptualised in the symbolic experiences of vision, mission, etc.) was mainly rested on the evaluation of the content of employees’ provisional future organisational categorisations proposed by the strategic change. The first strong finding of the case study concerning employees’ interpretation of the change was the relationship between the width of the identity gap and the likelihood of an attractive interpretation of change. Close correspondence between current and provisional future identity was a source of cognitive inertia as employees believed that the current character was sufficiently aligned with the future. In contrast, great identity dissonance motivated perceptions of an unattainable and overoptimistic future and proved to be damaging to implementing change. However, when employees were able to make sense of the discrepancy which created the necessary stress for them to desire the change, they were not content to remain in a state they believed was subideal because it resulted in uncomfortable negative affect (Higgins, 1987). In this sense, it is argued that it is moderate and realised changes that make transformational changes a reality.

Employees’ cognitive efforts to close the identity gap were based on their evaluation of the content of their provisional identities. In other words, the second strong finding of the case study on change sensemaking concerned employees’ perceptions of change as either enhancing or devaluing their perceptions of the organisation’s identity. Evaluating the content of provisional identity depends on the value attributed to four main identity principles: distinctiveness, efficacy, continuity, and esteem (Breakwell, 1986). It was this evaluation that further guided the assimilation of the provisional identity content into employees’ identity structures affecting identity change. Employees who perceived that the change enhanced the value of central, distinctive and efficacious dimensions of their provisional and possible future OIs interpreted change as attractive and were willing to incorporate the new elements into their identity structures. On the other hand, employees who perceived the change as devaluing their organisation’s current central, distinctive and
enduring elements interpreted change as non-engaging and did not accommodate the new content into their identity structure. Employees' interpretation of change was also affected by the value attributed to the positional status of the institution. Even employees, whose departments where highly valued and promoted by the change programme interpreted change as non-engaging because it devalued central and cherished identity dimensions and refuted prior claims of positional status.

Furthermore, evidence was provided that it is not only esteem which may motivate and guide identity processes (Breakwell, 1986) but that distinctiveness, continuity and efficacy need to be considered. Regarding the notion of distinctiveness, the findings indicated that employees did not claim uniqueness when they seek to mimetically compare their institution with those belonging in the elite group. On the contrary, they tried to achieve prominence by becoming non-distinctive. Further, employees were willing to define their identities in non-enduring terms, denoting that identity needs to be reconceptualised to include a dimension of malleability. These findings indicate that further research is required to explore how exactly these principles guide identity processes in organisations.

Moreover, it was evident that employees who perceived that the change devalued their organisational membership commonly used selective categorisations to reemphasise positive perceptions of their organisation’s identities, by highlighting identity dimensions and interorganisational comparison groups not emphasised by the change programme. Employees could attenuate or mitigate organisational identity threats simply by making salient other legitimate and valued dimensions along which the organisation should be construed rather than addressing threatened dimensions directly. Thus, rather than changing their perception of the organisation’s identity in response to a transformational change employees in the present study emphasised other ways in which the organisation was intrinsically good or functioning well.

Finally, two points need to be underlined here. The first one concerns the obtained process of change. In accordance with the adopted philosophical framework of trialectics, change occurs through attraction and employees offer a language of attraction and relationship when confronting change rather than conflict and resistance. Evidence has been provided that employees express willingness to work toward the accomplishment of a vision and they will be engaged to a vision which they find favourable and interpret as attractive.
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The second point that needs to be underlined is that from the perspective of the present study, employees are actively involved in the construction and negotiation of organisational identities and images. In this sense, organisational identity and image are not seen to be an entirely corporate or collective phenomenon, produced by organisations for consumption by employees. Although it was apparent that organisations pursued numerous strategies in their attempts to control and manipulate identity and image and other types of information, there was no inherent basis for assuming that an ‘official’ identity and image would be deterministically reproduced in employees’ subjective interpretations. In this respect, the position here is similar to Douglas’ (1986: 92) analysis of institutions, which she describes as “directing” individual memory and “channelling” perceptions, but which are nevertheless still the outcome of the negotiated choices, actions, and social interactions of individuals who comprise their membership.

6.5. CONCLUSION

Cohen et al. (1972) portrayed universities as organisations steeped in conservative academic tradition, giving their management little way for instituting transformational change. They argued that the power of the university presidency is confined mainly to the invocation of symbolism in the creation of meaning for employees. The findings presented here suggest a somewhat revised portrayal and interpretation, perhaps as a consequence of changing times and context. First, this study seems to have caught the university at a time of substantive transition; universities in general now have found themselves in a bona fide competitive market that has forced them to act in a more ‘business-like’ manner. The immediate upshot of this environmental change was a need to ‘think and act strategically’. This orientation, which was historically unnecessary, and therefore essentially unfamiliar, forced consideration of more radical changes at a faster pace than previously experienced. The key to such changes in this tradition-bound institution was still the promotion of attractive external images (i.e. as symbols), but the notion of image appears to have broadened in scope, such that it now constitutes a medium not only of meaning construction and expression, but of identity change as well.

The interpretative approach used here to explore sensemaking processes represents an attempt to give balanced voice to both insider and outsider views and to allow insights to emerge without force-fitting them into prior theoretical perspectives. The fact that a number of the findings align with prior theory merely affirms that the present work is not entirely reinventing the wheel and that the views presented here have some reasonable
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credibility. Yet, the emergence of some nonobvious findings, as well as revised portrayals of some symbolic phenomena, suggest that plausible, alternative ways of understanding the dynamics of strategic change are available only by suspending accepted views and pursuing alternative modes of study.

A brief recap of the major insights available from this approach include the following observations: 1) Employees interpret transformational change as attractive and as non-engaging. (Although change interpretation has been extensively studied in the past, no research has explored employees’ interpretation categories of transformational organisational change). 2) Employees’ interpretation categories as attractive and non-engaging differ from those appearing in the management literature. (Managers usually categorise changes as strategic or as political (e.g., Thomas et al., 1993) or as threats and opportunities (e.g., Dutton & Jackson, 1987; Jackson & Dutton, 1988), always underlying, however, their strategic character and orientation and not their social/psychological basis as in this case). 3) Employees make sense and interpret change not only through their perceptual lenses of current identity and image, but also through their desired and future end-states. 4) The perception of a desired future image was used as a means of changing the currently held identity. (This finding underlined the importance of the interrelationship between identity and image and its role in identity change). 5) Communication patterns constitute a significant feature of the sensemaking context that guide the salience of employees’ schemas and their interpretation of change. 6) Employees’ interpretation of change is strongly related to their perceptions of the width of the generated identity and image gap. 7) The identity principles guided the sensemaking process of transformational organisational change through the evaluation of the provisional content of identity, in order to determine which elements will be assimilated into employees’ identity structure. The assimilation of the provisional identity content led to organisational identity change. 8) There was a significant difference between the functions of identity principles that guided identity processes and the function of maintaining, devaluing or enhancing the value of these principles. 9) Selective categorisation processes have been portrayed primarily as useful cognitive tactics for guiding employees to make sense of organisational identity threats as well as affirm positive organisational identities.

These observations also perhaps suggest that what distinguishes strategic change in university settings from change in other types of organisations is the increased necessity to instil a cognitive reorientation perhaps through the use of images as a precursor to change
implementation. This difference is due to the fact that university settings were in the most unfamiliar with the notion of transformational strategic change. The academic institution studied here was enmeshed in the dilemma of having a strong tradition, with an entrenched strategy and structure, in the face of a newly complex and turbulent environment demanding change. This description fits many modern universities, as well as other organisations. Symbolic processes appear to possess the subtlety needed to execute the dynamics involved in launching strategic change in such precarious environments.

Here strategic change is understood as a specific type of transformational, planned and episodic change and a model was developed of how employees actually make sense of and interpret transformational strategic change in academia. However, any model is itself a somewhat arbitrary interpretation imposed on organised activity. Any model involves trade-offs and unavoidable weaknesses. The greater weakness in the model presented in this chapter is reflected in Ford and Backoff’s (1988) postulate of commensurate complexity. His postulate states that a theory of social behaviour cannot be simultaneously general, accurate, and simple. Two of the three characteristics are possible, but only at a loss of the third. The model in this chapter has attempted to be general and simple, and the trade-off is a model that is not very accurate at specifying details. The loss in precision may not be too problematic, however. An interpretation system is a very complex human social activity that may not be amenable to precise measurement (Daft & Weick, 1984). To design a model that is precise and accurate may be to lose the phenomenon of interest.

The next step could be to examine whether the model developed here is applicable more broadly (i.e. implementation of TQM programmes). In all organisational change situations, image and identity structures are likely to exert some influence. The present model was developed to illuminate the cognitive processes that impede radical repositionings in organisational settings unfamiliar with the notion of strategic change. However, it might also be applicable to other kind of business organisations that confront instances of radical repositionings after long periods of relative stability. The following chapter thus, reflects an effort to refine the emergent model by investigating its propositions in a quantitative survey and examining the model’s transferability in other types of organisations. The main research question remained: How do employees make sense of change when managing radical transformational organisational change? Two concomitant questions also guided the survey. 1) Does the emergent model apply to
organisations outside academia? If so, 2) What are the relationships between the concepts of communication patterns, identity, image, identity gap and the interpretation of change?
Refinement
7.1. OVERVIEW

The analysis of the qualitative case study during the ‘Exploration’ part of this thesis has shown that managing transformational change requires consideration of the effects of change on the cognitive schemas of employees. Strategic reorientations and unfamiliar expressions that are consistent with an attractive new vision for the organisation (and clearly incompatible with the taken-for-granted way of perceiving and doing things) tend to destabilise current perceptions of identity and image creating favourable interpretations of change. Under conditions of transformational change, it is both current perceptions of identity and image and provisional future identity and image (i.e. aspired to) that provide the interpretation criteria for changes that result from the reorientation programme. The university case study addressing the question “How do employees make sense of changes when handling episodic transformational change in an academic institution?” revealed the significant role of altered identity and image in change interpretation.

Using a ‘grounded’ framework as a means of structuring the findings that emerged, it was found:

(1) that employees’ perceptions of the attractiveness of present/provisional future identity and image constituted the main perceived cognitive schemas through which employees made sense and interpreted organisational change instances;

(2) that employees treated the proposed change as one offering provisional identities that served as trials for possible but not yet fully elaborated future organisational identities;

(3) that the culture of the institution and especially the degree of communication, information flow and participation influenced employees’ sensemaking process;
(4) that employees’ perceptions of the discrepancy between the present and desired future identity and image (i.e. identity and image gap) influenced their interpretations of change; and

(5) that changes were not conceived in the usual ‘strategic / political’ or ‘strategic / threat’ categories seen in research on managerial cognition, but in terms of the more general categories of ‘attractive’ and ‘non-engaging’.

Here, the intention is to refine the emergent model and test its transferability in a different type of organisation outside the academia. This chapter reports on an investigation of the derived propositions using a quantitative survey study. The overarching research question was: “How do employees make sense of change when facing episodic transformational change in their organisations?” Other corollary questions however, also guided the survey investigation: “Does the emergent sensemaking model apply to other types of organisations besides academic institutions?” If so, “What are the relationships between the key emergent concepts (internal organisational context, (especially its element of communication, information flow and participation), the attractiveness of present/future identity, image, and the notion of identity and image gap) and the interpretation of change?”

7.2. TRANSFORMATIONAL ORGANISATIONAL CHANGE

Episodic transformational organisational change as it has already been argued in Chapter Two (Section 2.3), involves either a discontinuity in and redefinition of organisational purpose and orientation or a substantial shift in overall priorities and goals to reflect new emphases or directions. It is most often accompanied by significant changes in the symbolic representation and image of the organisation. As Dean and Carlisle (1999) and Fox-Wolfgram, Boal, and Hunt (1998) note, transformational change in organisations has been discussed in terms of changes in content as well as transformations in process. Changes in content typically involve alterations in competitive decisions within particular product/market domains, such as price or quality (see also Van Riel, 1995), organisational culture (Hatch & Schultz, 1997) as well as changes in the basic philosophy of everyone in the company (Ashforth & Mael, 1996). Change in terms of processes involves, for example, shifts in formal management systems (e.g., Ansoff, 1979) and/or structures (e.g., Markwick & Fill, 1997). Gersick (1991) views the notion of transformational change in organisations as capturing both dimensions, that is, as an alteration of an organisation’s
alignment with its environment and an attendant modification in processes to conform to
the new alignment after long periods of relative stability.

Tushman and Romanelli (1985) argue that this degree of change (i.e. simultaneous shifts
of strategy, structures and processes) requires a paradigm shift, a cognitive reframing of
everyone in the organisation that will facilitate employees' understanding and support of
the change. As employees actively negotiate and validate managerial claims about change,
an exploration of the cognitive schemas of employees is required. This perspective
suggests that to understand and manage transformational change in organisations, it is
necessary to examine employee sensemaking and interpretation that serve to create and
legitimate the meaning of the change (Dutton & Duncan, 1987). From a sensemaking
perspective, organisations are seen as constituted of systems of meanings and social
processes of making sense, during which meanings are assigned to events. Understanding
an organisation means understanding how meaning is constructed and destructed (Gray,
Bougon, & Donnellon, 1985; Weick, 1995). Accordingly, understanding organisational
change it is also necessary to understand employees' own subjective meanings as well as
the processes by which these meanings shift and coincide.

7.2.1. Cognitive Framing

The cognitive perspective developed in this thesis explains why transformational
organisational change such as strategic reorientation, is often misunderstood, unable to
gain employees' engagement, and frequently, destined for failure. According to recent
studies of the relationship between interpretation and response to change (Dutton &
Jackson, 1987; Thomas & McDaniel, 1990; Thomas et al., 1993) the nature of the
response to organisational change is shaped by the sensemaking process that eventually
attributes the meaning to the change (i.e. its interpretation). In this sense, organisational
change programmes are often doomed to failure because they are improperly framed by
employees. The present perspective suggests that change programmes presented as radical
transformations of the organisation's core character and essence fail because the
perceptual schemas of employees, whose support is necessary for successful
implementation, constrain their understanding of and engagement to the new initiatives.

The above discussion provides a conceptual framework that adds to the extensive
literature on managing transformational changes or "reorientations" (Tushman &
Romanelli, 1985: 183) as it tries to understand the cognitive obstacles and facilitators of
enacting transformational change in organisations. Here it is assumed that employees’ activation of attractive present and/or future cognitive schemas of thinking about the proposed change should drive how the new initiative is framed and reframed during the implementation process. One of the key elements that distinguishes transformational from incremental organisational change is that successful implementation of change frequently demands a paradigm shift (Reger et al., 1994) that may challenge employees’ most basic assumptions about the nature of the organisation (Bartunek, 1984; Blackburn & Rosen, 1993).

A number of models have been developed in order to describe the way managers and employees deal with organisational change (e.g., Dutton & Duncan, 1987; Kiesler & Sproull, 1982). They focus especially on the antecedents of employees’ interpretation and decision efforts associated with planned organisational changes (Hitt & Tyler, 1991; Schneider & De Meyer, 1991), as well as their responses to changes perceived as organisational threats (Elsbach & Kramer, 1996). However, Daft and Weick (1984) and Milliken (1990) proposed that organisational renewal entails also the key cognitive process of interpreting. Interpreting in organisations is an important aspect of the more general notion of sensemaking, which involves the reciprocal interaction of information seeking, meaning ascription, and action (Gioia & Chittipeddi, 1991; Weick, 1979) and is central to employees’ experience of their organisation (Kramer, 1993). Despite the expanding research on organisational sensemaking, little is known about the effect employees’ cognitive activities have on their interpretation of transformational paradigm change in their organisation. The qualitative case study has made explicit that different employees may ascribe qualitatively different meanings to proposed changes each of which may be associated with different responses toward change and possibly firm performance implications (Weick, 1979). It also provided evidence that middle-order instead of radical changes were required for employees to make sense of and understand the change (see Chapter Six, Section 6.4.2). This implies that moderate changes may lead to internal changes which are radical in their impact. Thus, understanding employee cognition and its link to their interpretation of change is critical for gaining insight into their responses to change, and ultimately, the success of change implementation.

It was argued in Chapter Two, that interpretation involves the development or application of ways of comprehending the meaning of information; it entails the fitting of information into some structure for understanding and action (Gioia, 1986; Taylor & Crocker, 1981).
Chapter Seven - Organisational Perceptions and Change Interpretation

Researchers have usually viewed interpretation as an individual-level process wherein people tend to ascribe meaningful labels to incoming information (Taylor & Crocker, 1981). At a different level of conceptualisation however, organisations themselves can be viewed as interpretation systems (Daft & Weick, 1984). Different areas and levels of an organisation may be involved in the activities associated with sensemaking, but it is employees who ultimately make sense of and interpret incoming information regarding proposed changes creating in this way their reactions to them.

Chapter Five has indicated that it was premature to apply in this case the main interpretation categories found in the management interpretation literature and suggested a categorisation schema in more social psychological terms capturing the overarching identity concerns of employees. Rather than strategic and political (Gioia & Thomas, 1996) the university case study (see Chapter Five) revealed that employees categorised change instances as ‘attractive’ and as ‘non-engaging’.

7.2.1.1. The Meaning of ‘Attractive’ and ‘Non-Engaging’ Change

The interpretation of change as ‘attractive’ had to do with employees’ perceptions of:

- denoting an inadequate present organisational identity
- creating a desired future image
- proposing a substantially different but possible future identity
- being supported by culture
- denoting an attractive future organisational identity in terms of continuity, esteem, efficacy and distinctiveness
- functionality

Moreover, employees’ interpretation of change as ‘non-engaging’ had to do with their perceptions of:

- devaluing an attractive present organisational identity
- illegitimacy
- convention
- not being supported by the organisational culture
- proposing an impossible future identity
The above interpretation categories and their attributes were obtained from the thematic analysis conducted in Chapter Five. However, further more rigorous empirical confirmation for these attributes is an important issue for future research.

Having described in brief the interpretation categories used by employees when they make sense of transformational organisational change, the following section will try to further elaborate on the conceptual framework that produces the main propositions responsible for the interpretation of change as 'attractive' and as 'non-engaging'.

7.3. CONCEPTUAL FRAMEWORK AND HYPOTHESES

The research reported here suggests that when exposed to similar stimuli, employees in the same organisation may form different interpretations of the same change instance. Daft and Weick (1984) argued that these differences may be, in part, the result of cognitive framing that directs information, attention, and interpretation, and is grounded on the basic assumption that employees actively construe their organisation and the environment (Harris, 1994). Weick's (1979) notion of enactment provides a supporting rationale for this theoretical perspective (Smircich & Stubbart, 1985). In this sense, employees actively frame the proposed changes as they construct and enact organisational reality using cognitive frameworks that may or may not correspond to those of top management. What became clear, thus, during the conduct of the university case study, was that the way employees interpreted change related to the way they perceived their organisation's identity and image (i.e. their perceived organisational identity and construed external image).

7.3.1. Internal Sensemaking: Identity

Central to employees' perceptions of organisational change is the notion of identity. Whereas an organisation's collective identity represents the set of beliefs that employees share, employees' perceptions of the organisation's identity refer to the beliefs of particular organisational members (Dutton et al., 1994). Because organisations imperfectly socialise employees to a collective view, their perceptions may depart from the organisation's collective identity. Perceived organisational identity is a particularly powerful schematic filter, a set of constructs defining what is desired, good, real, impossible, and necessary. Perceptions of an organisation's identity, by assuming a mission and supporting beliefs and values, motivate sensemaking oriented to the identity (Bartunek, 1984) and they tend to gain their power when they are viewed in positive and
desirable terms and they are valued by employees (Adler & Adler, 1987; Ashforth & Mael, 1989).

In this sense, perceptions of the organisation’s identity attach its meaning to the new organisational paradigm which is perceived as a provisional identity for organisational members. Chapter Six (Section 6.4.1) argued that these provisional identities serve as trials that employees use to bridge the gap between their current identity perceptions and the representations they hold about what is expected in the new identity. Provisional identities are compared and contrasted with employees’ perceptions of the organisation’s identity, thus elaborating employees’ images in their new identity. In this sense, employees personalised their observations of the new organisational paradigm by directing attention to those elements that most matched or mismatched their own perceptions of their current OIs.

However, perceptions of the organisation’s identity may limit organisational action (Dutton & Dukerich, 1991; Fiol, 1991; Milliken, 1990), as well as the understanding and acceptance of transformational change. As a self-fulfilling system, identity defines what is appropriate for the organisation based on enduring and tacit assumptions orienting employees toward certain aspects of their organisation and the environment. However, what does not get noticed does not get considered. Chapters Five and Six have indicated that employees for example, who perceived and highly valued their organisation as a traditional academic institution had not been engaged in a proposed strategic and corporate identity change that transformed the university into a strategic business organisation. Organisational identity then is likely to act as an inertial barrier impeding planned organisational transformation (Fiol & Huff, 1992).

Furthermore, episodic transformational changes that exceed the scope of well elaborated and closely-connected identities (Ashforth & Mael, 1996) can hinder employees’ understanding (Walsh & Fahey, 1986). Chapters Five and Six indicated that employees interpreted change as non-engaging because they could not relate it to their existent perceived organisational identity schemas. In this sense, episodic transformations that require employees’ replacing their old organisational identities with new, fully formed ones (as could be argued is the goal in many transformational change programmes (Balmer, 1995)) are less likely to gain employees’ engagement and commitment (Johnson, 1988). Integrating new conceptualisations into the organisational paradigm requires
employees to change their cognitive interpretations about the character of the organisation (Bartunek, 1984).

Finally, transformational changes will be perceived as unfavourable with limited chances to be incorporated into employees’ identity structures if they threaten ‘appropriate’ or valued features of the organisation’s identity. Zeitz (1996) describes how employees at a semiconductor manufacturer regarded the company’s shift from technologically innovative to providing excellent customer service as ‘dishonest’ and concluded that top management was abandoning innovation. The literature on individual identity indicates that when people’s prevailing conceptions of their self is challenged and threatened they tend to reaffirm the self maintaining its stability and positive evaluation (Markus & Kunda, 1986; Swann, 1985). This means that in the presence of a perceived threat or challenge to the identity, people seek self-consistency rather than self-enhancement (see Chapter Six). In this sense, a strong and valued perceived organisational identity may induce employees not to engage into changes that outsiders or the top management would regard as obviously advantageous (Dutton et al., 1994).

7.3.2. Attractive Future Organisational Identity

Chapter Three (Section 3.2.4) argued that identity claims are likely to be different from present identity claims and they are also likely to be idealised and directed to the future (Markus & Wurf, 1987). An idealised future organisational identity encompasses optimistic and attractive projections for the future: “This is who we want to be”, which constitutes a self-concept schema employees accept about the future of their organisation (Fiol & Huff, 1992; Reger et al., 1994). This implies that identities do not change in a random way. One of the main needs organisations and their members seek to fulfil is organisational and self-improvement, that is the progression toward an ideal self or away from a feared one (Markus & Wurf, 1987). Since organisations are constantly in the process of becoming (Sampson, 1985) there is a strong possibility that new and fundamentally different identities would be required during the lifespan of an organisation for members to aspire (such as in the case of transformational organisational changes). However, the more valued, clearly and coherently articulated an existing identity, and the stronger the consensus, the more likely that change will follow existing paths.

Consistent with the self-improvement motive, the university case study suggested that employees harbour provisional future organisational identities, that is conceptions of what
the organisation and themselves would be in the future according to the proposed change. It is the evaluation of the provisional content of identity proposed by the new organisational paradigm that guides employees' perceptions of desirability and attractiveness of the future identities providing possible and future identity claims. In this sense, desired provisional identities provide tangible, elaborated and challenging future identities to which employees can aspire, thus providing a cognitive lens for sensemaking and motivating behaviour consistent with the identities and the proposed change.

In short, transformational change will not be interpreted as attractive unless the corresponding provisional future identity is perceived as attractive and gain depth and breadth prompting employees to question core facets of their current organisational identities, impelling new iterations in the development and/or change of their current identity. This means that the perceived provisional organisational identity should be desirable (enhancement), defensible (has at least some legitimacy and validity; organisational knowledge), and idealised (improvement) (Ashforth & Mael, 1996).

However, if the provisional identities proposed by the planned change are chronically contradicted by the existing fundamental paradigm of the organisation or by strategic choices and practices, or if the proposed organisational claims are increasingly out-of-step with employees' preferences, then dissatisfaction and cynicism may result (Mintzberg, 1983).

### 7.3.3. Identity Gap and Change Interpretation

At times of formal planning and major discontinuity not only current and future organisational perceptions are salient but also the discrepancy between the two (Markus & Ruvolo, 1989). Unless employees' current organisational identity claims are equivalent to their future identity claims, the information contained within one schema will be inconsistent with the information in the other. If it is not, change may be perceived as meaningless and irrelevant (Higgins, 1987). However, the inconsistency between the two identities may cause an identity gap (Reger et al., 1994), defined as the cognitive distance between the perception of the current and the future identity, desired or not. When a discrepancy with a pre-existing schema (i.e. current) is encountered, employees' established expectations are challenged. Consistent with cognitive dissonance theory, discrepancies produce dissonance and a concomitant desire to reduce the discrepancy (Festinger, 1957). This discrepancy can provide motivation to alter current organisational identity (Cantor & Kihlstrom, 1987; Higgins, 1989).
The notion of identity gap is much more useful when it is conceptualised as the gap between perceptions of the current and the desired future identity (Bartunek, 1984; Lowstedt, 1993; Reger et al., 1994), denoting that future identity is perceived as different and more attractive than the current identity. Moreover, it discloses obstacles for the implementation of beneficial change. When current identity is perceived as attractive, organisational members are likely to be prompted to interpret change (and the respective provisional identities) as non-engaging even when this change is regarded as advantageous by top management (see Section 7.3.1). Furthermore, when present identity is perceived as attractive, the wider the gap the more likely it is that employees will interpret change as non-engaging. It was argued in Section 7.3.1 that employees who perceive present identity as attractive in comparison with the proposed provisional identity, are more likely to make sense of change via the perceptual lens of present identity and therefore pull provisional future identity in alignment with the desired present identity. In other words, the effect of this discrepancy will produce similar results with the effect of perceived attractive present identity on change interpretation. For the remaining of the section then, the notion of identity gap will denote employees' attractiveness to a desired future identity unless stated otherwise.

In general, a perceived identity gap between “who we want to be” and “who we are” motivates employees to change as they will not be content to remain in a state they believe is subideal because it results in uncomfortable negative affect (Bourgeois, 1985; Higgins, 1987). In this sense, the discrepancy needs to be large enough to create the understanding and motivation necessary for employees to desire change (Huff et al., 1992) but the dissimilarities should not be so great that the desired is perceived as unattainable (Higgins, 1987). However, an identity gap that is too wide may be detrimental to implementing change because employees may believe the desired future identity is unattainable and, despite high organisational stress, will resist attempts to achieve (Higgins, 1987). The following hypotheses summarise the above discussion providing the refinement of propositions 1 and 5 in Chapter Six.

Hypothesis 1: Employees' perceptions of the identity of their organisation are differentially associated with their interpretation of the organisation’s change.

Hypothesis 1a: Employees’ perceptions of an attractive present organisational identity are positively correlated with the interpretation of change as non-engaging.
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Hypothesis 1b: Employees’ perceptions of an attractive future organisational identity are positively correlated with the interpretation of change as attractive.

Hypothesis 2: Employees’ perceptions of the wideness of the created identity gap (discrepancy between perceptions of the present and desired future organisational identity) will be associated with their interpretation of change.

Hypothesis 2, if confirmed, would have an important implication for the conceptualisation of change as sudden and episodic. It would provide evidence that even though at the macro level transformational change appears to be an episodic and sudden phenomenon, at the micro level change occurs through the creation of moderate and continuous gaps between the present and the future.

7.3.4. Internal Sensemaking: Image

Favourable interpretations of change as argued here (Chapter Two, Section 2.3.8 and Chapter Seven, Sections 7.3.1 and 7.3.2) and revealed by the university case study (Chapters Five and Six), are guided by future identity claims that may be somewhat idealised and desirable and qualitatively different from current organisational schemas. However, these identity claims must be socially validated to ‘stick’, that is, to be internalised in order to promote favourable interpretations and acceptance of change. Identity theorists from a variety of disciplines argue that one’s sense of self is largely grounded in the perceptions of others (Schlenker, 1986). Through social interaction and the internalisation of collective values, meanings, and standards, we come to see ourselves through the eyes of others and construct a more or less stable sense of who we are.

Analogously, Albert and Whetten (1985: 189) argue that an organisational identity is formed through a “reflected appraisal” process, and Treadwell and Harrison (1994: 82) posit that “images that prevail internally for the organisation are those that survive a ‘reality test’ against external points of reference.”

In this sense, when change and its concomitant provisional identities are considered explicitly with the generation of future identity claims, perceptions of social validation (i.e. construed external image) are also required in order to reframe or sustain an organisational identity (Albert & Whetten, 1985; Treadwell & Harrison, 1994) and consequently facilitate or inhibit employees’ acceptance of change. Like identity then, image acts as a perceptual mirror that affects employees’ sensemaking and, ultimately,
their interpretation of change reflecting back to them how the organisation and the behaviour of its employees are seen by outsiders (Dutton et al., 1994).

In times of transformational change, top management generates projections and images of the organisation in the future which are substantially different from the present images, in order to aspire and make concrete its vision both to external and internal publics (Bernstein, 1984). Perceptions of social validation of the future organisational image, as projected by the change, indicate an attractive future image which may underline current inefficiencies and prompt employees to think of change in favourable and attractive terms. Because in order to reach the attractive future image, employees need to develop new meanings, which are different from those provided so far. The university case study indicated that employees' perceptions of real high-performing organisations generated attractive future organisational images forcing them to admit their current inefficiencies and explicate the organisational ideal. On the other hand, perceptions of an attractive present image validate employees' perceptions of a valued and attractive current organisational identity rendering change unnecessary and insignificant.

Summarising, here it is argued that employees' perceptions of present and/or desired future organisational image can impact fundamentally on their interpretations of change. Perceptions of image affect interpretations of change through their interrelationship with employees' perceptions of identity. Perceptions of organisational image and identity are likely to be internally compared leading to possibilities for dissatisfaction and change. Thus, insofar as employees encounter organisational images as part of their lives both inside and outside the organisation, it is likely there will be feedback from image to identity and consequently from image to change interpretations. The above discussion leads to the following two hypotheses refining proposition 4 in Chapter Six:

Hypothesis 3: Employees' perceptions of the image of their organisation are differentially related with their interpretation of organisational change.

Hypothesis 3a: Employees' perceptions of an attractive present image of the organisation are positively correlated with the interpretation of change as non-engaging.

Hypothesis 3b: Employees' perceptions of an attractive future image of the organisation are positively correlated with the interpretation of change as attractive.
Moreover, the internal comparison between identity and image prompts employees to look inwardly at their identities and assess the similarities of the different views. The outcome of this assessment generates a number of image gaps. The notion of image gap denotes the explicit comparison and discrepancy between perceived organisational identity and future image (Balmer & Dinnie, 1999; Gioia & Thomas, 1996). When the outcome of this comparison denotes that current identity is more attractive than future image then change is likely to be interpreted as undesirable and non-engaging and future image cannot pull identity into subsequent alignment (Fiol & Kovoor-Misra, 1997). Furthermore, when present identity is perceived as attractive, the wider the gap between desired present identity and future image the more likely it is that employees will interpret change as non-engaging. In other words, the effect of this discrepancy will produce similar results with the effect of perceived attractive present identity on change interpretation (Hypothesis 1a).

However, when the outcome of the comparison denotes that the future image is more desirable than the current identity, the wideness of the perceived discrepancy becomes an important factor that plays a further role to the interpretation of change. Since organisational images are treated as cognitive schemas through which employees make sense and interpret organisational change, similar argumentation and reasoning to that in Section 7.3.3 that generated Hypothesis 2, lead to a parallel proposition concerning employees’ perceived discrepancy between desired future image and present identity and its relationship with their interpretations of change.

Hypothesis 4: Employees’ perceptions of the wideness of the image gap between current identity and desired future image will be associated with their interpretation of change.

Since the notion of image gap generated after an introduced change has been defined as the discrepancy between perceived organisational identity and future image (Balmer & Dinnie, 1999; Gioia & Thomas, 1996), a similar proposition was not created for employees’ perceived discrepancy between present image and future identity.

7.3.5. Communication and Change Interpretation

Although the substantive and symbolic perceptual lenses (i.e. identity and image) influence the interpretation of change, perceptions of ‘internal’ contextual features also exert considerable influence. Of these, employees’ perceptions of the organisational structures in place, and especially those responsible for the communication patterns and organisation’s capacity for information flow, as revealed by the university case study
(Chapters Five and Six) played important roles in guiding their interpretation. On this same note, it was employees’ perceptions of the organisational context rather than the context itself that was of interest since it is assumed to be the employees’ construction of reality which is likely to have the greatest effect on associated perceptions, attitudes and behaviours (George & Jones, 2001). Daft and Lengel (1986) argued that patterns of exchanging and sharing of information among organisational members influence interpretation. Characteristics, such as frequency of interaction and degree of participation by employees in decision making also affect the interpretation of change (Thomas & McDaniel, 1990) as well as employees’ awareness of the organisation’s business objectives (Lahteenmaki, Toironen, & Mattila, 2001). This is based on the assumption that the communication patterns in place shape interpretative predispositions that focus attention on some aspects of the proposed changes and exclude others (Dutton & Duncan, 1987).

The organisational communication patterns is a concept rooted in earlier work that has demonstrated that characteristics, such as degree of participation, interaction, and formalisation, facilitate or impede how employees use information in the interpretative process (Daft & Lengel, 1986). For example, employees who participate and interact with others in the process of change, are those who perceive a strong supportive climate in terms of communication and are more likely to perceive change as controllable (Thomas & McDaniel, 1990) because they understand and have a sense of mastery over the changes they confront (Eisenhardt & Bourgeois, 1988). Therefore, they are less likely to see change as threatening (Dutton & Jackson, 1987). In this sense, it might be predicted that when employees perceive high levels of communication and information sharing, they are more likely to interpret change as attractive (consistent with proposition 2 in Chapter Six).

**Hypothesis 5:** The communication patterns of the organisation will contribute to a sensemaking context that is systematically related to employees’ interpretations of change both as attractive and as non-engaging.

Similar evidence and reasoning lead to parallel hypotheses concerning the relationship among perceptions of the sensemaking context, identity and image. Harris (1994: 310) has argued that employees’ manifestations, perceptions and experiences of various elements of the internal organisational context (i.e. culture) are revealed in the salience and operation of a patterned system of organisation-specific schemas held by employees. In this sense, schema salience and activation is determined in several internally-sensitive ways. In fact,
one of the main ways various elements of the internal context (i.e. communication support) is reflected in employees’ act of sensemaking constituting in that way a sensemaking context, may be the pattern of schema salience across employees: to what do they attend and toward what interpretations are they biased? However, since no compelling empirical evidence has been revealed suggesting specific differential relationships, only the general relational proposition (corresponding to proposition 3 in Chapter Six) can be specified in this case between the sensemaking context and the salience of attractive present or future organisational schemas.

Proposition 1: The communication patterns of the organisation will be related to organisational identity and image.

Taken together, the findings from the qualitative case study and the hypotheses generated here, suggest an emergent model, as shown in Figure 18.

The model in this graphic form also allows the clearest specification of a mediational hypothesis:

Hypothesis 6: Perceptions of identity and image will partially mediate the relationship between communication pattern and change interpretation.

Figure 18. Model of Change Interpretation

46 The notion of attractiveness is implied in all the Figures and Tables from now on.
Gioia and Thomas' (1996) model provide support for the current conceptualisation of the process of employee sensemaking of episodic transformational change indicating the role of image and identity type (i.e. utilitarian or normative) on managers' interpretation of strategic issues as 'strategic' and 'political'.

7.3.6. Individual variables

The refinement of the findings revealed by the university case study demands also the consideration of individual-level variables, that is, personal attributes that may also explain in part, why different people exposed to the same situation perceive it differently (Jackson & Schuler, 1985). The theory underlying research in this area is that people form cognitive categories based on their past experiences and observations of the features, or attributes, of a situation (Rosch, 1978). Specifically, research in change interpretation suggests a significant number of individual characteristics that influence the interpretations that develop from this categorisation process. Organisational experience has been shown to be related to interpretation (e.g., Bantel & Jackson, 1989) through affecting employees' cognitive frameworks. Employees with long tenures in an organisation may have developed well-elaborated and deeply interlocked organisational identities that may be difficult for them to change and interpret change as threat (Rousseau, 1998). Furthermore, according to Social Identity Theory long tenures are related to the internalisation of the organisational values as valid expression of selves into employees' identity structures (Ashforth & Mael, 1989).

Hierarchical level may also influence the interpretation of change as employees at different levels have different perceptions of an organisation's strengths and weaknesses (Ireland, Hitt, Bettis, & Porras, 1987). Milliken and Lant (1991) found that hierarchical level was related to employees seeing the potential for a change to positively affect the organisation's market position and its goals (Milliken & Lant, 1991). Further, because higher-level employees are those most responsible for interpreting changes involved with aligning an organisation's strategy, structure, and environment (Ritvo, Salipanti, & Notz, 1979), hierarchical level might be related to the extent to which an organisational change is perceived as an opportunity for the organisation and consequently interpreted as attractive.
Collectively, these previous findings led to the framing of the following theoretical proposition which will further contribute to the refinement of the model of change sensemaking emerged from the qualitative case study:

**Proposition 2:** Employees' individual characteristics will be systematically related to the interpretation of change. More specifically, the past empirical findings and conceptual development discussed above suggest:

**Hypothesis 7:** Employees' tenure and hierarchical level will contribute to a context that is systematically related to employees' interpretation of change both as attractive and as non-engaging.

### 7.4. STUDY 2 – REFINING THE MODEL OF CHANGE INTERPRETATION

#### 7.4.1. Introduction

Here the aim was to assess and refine the model developed from the qualitative case study and test more formal hypotheses deriving from this in a business environment that had the potential to present a rich mix of interpretative outcomes as it was in the midst of strategic reorientation and corporate change (including a major corporate identity change). The introduced change was deemed to be episodic as the company had announced a major change programme in *The Financial Times*, discussed the changes at length in the annual reports as a major change programme, and made exceptional charges to the accounts (Dean & Carlisle, 1999). The host organisation was the industrial electronics section of a large electronic communications company based in the UK that capitalised on governmental permanent and exclusive contracts almost from the initial stages of its foundation. The section employs around 3,500 employees in departments throughout the UK. It provides electronic products, systems and services for a wide range of applications. In the last year before the realisation of the current project various changes had been made to the identity, strategy, culture, and structure of the company. The top management initiated a move towards fundamental strategic and identity change, corporate re-positioning and re-branding as part of an overall strategy to enhance the organisation’s competitive position after continuing years of financial losses. The strategic reorientation was further judged to be essential because of the loss of their exclusive contracts with the government for the provision of electronic services. The new strategic reorientation necessitated a major identity and culture change to support the reorientation. This move also resulted in a major change in the company’s projected image as well as its visual and
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corporate identity. However, the organisation was quite unfamiliar with the process of episodic transformational change since this was the first time that such a change was designed and implemented which occurred after years of stability.

The organisational transformation involved mainly the company’s reorientation from a provider of engineering and electronics products and services to governmental agencies, from a technology and product oriented company to a company orienting towards customer service and quality management. The company was refocused on customer service, continuous improvement, and quality. Measures of how well the tasks were performed had to be developed and standards were established. A reorganisation also took place, decreasing layers of management and pushing responsibility down to lower levels. In addition to these identity, strategy, control and structure changes, culture had also changed. Everyone was reinforced to act quickly and innovatively. Moreover, the change effort was complemented by a planned communication programme and the re-branding of the whole organisation in order to communicate the new strategy and identity to both internal and external stakeholders. Finally, these changes had been introduced rapidly and simultaneously.

7.4.2. Method

7.4.2.1. Sample

Surveys were distributed to 611 employees working for the host organisation. A total of three hundred and thirty one returned completed surveys, yielding a response rate of 54.2%. Fifteen participants were dropped from the data file due to missing data on a number of items. This resulted in a final sample of 316. Ages ranged from 19 to 57 years, with a mean age between 36-45 years and were primarily men (72.5%). Their median company tenure was 13.41 years. 1.3% described themselves as top managers, 3.2% as section managers, 20.6% as managers, 9.8% as team leaders and 65.2% as non-supervisory employees. The four target functional areas were: marketing (36.1%), engineering (27.5%), research and development (16.5%), and administration (16.5%). Finally, 48.7% of the respondents described their employment contract as ‘permanent’, whilst 51.3% described it as ‘temporary’.

7.4.2.2. Procedure

A two-stage approach involving both qualitative and quantitative methodology was undertaken to provide the benefits of both approaches. The first stage involved exploratory
qualitative methods, including desk research, formal interviews and informal discussions. All available documents about the company, including annual reports, staff newsletters, expert analysis, and newspaper stories, were collected and analysed. The company’s website was also analysed. This stage allowed for the identification of the basic descriptors of the central and distinctive organisational character and values from the perspective of the official organisation and the top management board that could characterise the organisation after the change. It also allowed for an analysis of the company’s proposed strategic change, providing a clear idea of the organisation’s desired, future identity and its desired communicated image. The documents were analysed using thematic content analysis with view to discovering what the organisation said about itself that could be translated into officially sanctioned organisational descriptors of its character and cultural values. Following the collection of this documentary data, four interviews were conducted with the senior managers of the company, who had been involved in the creation and implementation of the strategic reorientation and corporate identity change in order to get their approval for the organisational descriptors and their affirmation of the categorisation of change as episodic. The interviews were taped and then transcribed before being analysed.

The document and interview analysis resulted in 32 organisational descriptors (see Appendix VI for a full list of the descriptors). They were characterised by readability (i.e. the items should be easily understandable to facilitate their having commonly shared meanings) and nonredundancy (i.e. the items should have distinct enough meanings that they could not substitute for one another) (O’Reilly et al., 1991).

The second quantitative stage allowed for numerical comparisons between the perceived attractiveness of present and future organisational identity and change interpretation as well as between the perceived attractiveness of present/future image and interpretation. In addition, the survey was used to test for the relationships between identity and image gaps and change interpretation as well as between communication patterns and interpretation of change. The employees were surveyed with the assistance of a Human Resource (HR) officer, and were not required to identify themselves. The HR officer delivered the surveys to the researcher. The survey was accompanied by a formal letter from the managing director encouraging participation.
7.4.2.3. Measures

All respondents completed a self-administered questionnaire (Appendix VI). The first section of the questionnaire comprised a biographical section. A number of single questions were used to gather information about employees’ age, departmental membership, hierarchical level, gender, type of contract and organisational tenure. Hierarchical level had five categories (1 = non-supervisory, 2 = team leaders, 3 = managers, 4 = section managers, 5 = top managers), while type of contract had four (1 = permanent, 2 = temporary, 3 = fixed-term, 4 = part-time). Organisational tenure was the number of years an employee had been in the current organisation.

The following two sections comprised the measures of attractive present and future identity and image. The identity variable refers to employees’ beliefs about various facets of their organisation’s central, enduring and distinctive character and its cultural values (Dutton & Dukerich, 1991; Martin, Feldman, Hatch, & Sitkin, 1983; Milliken, 1990). The research instrument that measures components of identity and values was developed on the basis of the thematic analysis of official and unofficial documents provided by the focal company. It comprised 32 descriptors of the focal organisation as presented in the organisational documents. In order to assess the two variations of the identity concept – the attractiveness of present and future identity – two versions of the questionnaire were used: ‘present’ and ‘future’. The present identity scale assessed (using a 7-point Likert-scale; 1 = not at all attractive, 7 = extremely attractive) employees’ perceived attractiveness (Dutton et al., 1994) of the present identity of their employing organisation.

The future identity scale asked employees how attractive their organisation would be as a result of the change (how the organisation would like to be) by assessing the perceived attractiveness of each proposed statement (again using a 7-point Likert-scale; 1 = not at all attractive, 7 = extremely attractive). In each scale, the items were averaged to calculate a score that indicated the degree of employee attractiveness to the present or future identity of their organisation. High scores indicated an attractive sense of identity, present or future, by employees.

The image variable refers to how employees think others see the organisation (perceived present image) (Dutton & Dukerich, 1991) or how they would like others to see the organisation (perceived future image) (Whetten, Lewis, & Mischel, 1992). The attractiveness of present and future image was assessed using 7-item Likert scales. The development of both scales followed the criteria proposed by Gioia and Thomas (1996).
On seven-point Likert scales, the employees were asked how they perceived other peer organisations would currently rate their organisation along 11 dimensions (present image). The final dimensions derived after an extensive review of the relevant literature on image and reputation and according to the interviews with the senior managers. The attractive future image was assessed by first asking employees what peer organisations (up to three) they would want their own company to emulate after the change effort, because the emulation of ‘peer’ organisations with desired attributes is thought to be the basis for an attractive future image (Gioia & Thomas, 1996). Next, employees were asked to indicate (using the same 11 items) the extent to which they would be able to emulate the organisations they identified earlier, as a result of the change (i.e. how employees want their organisation to be seen in the future).

Identity and image gap was assessed using the two versions of the questionnaire, ‘present’ and ‘future’. For the assessment of the image gap (discrepancy between perceived current organisational identity and future image) a third version of the identity questionnaire was administered asking employees how they perceived other peer organisations would rate their company after the implementation of the change (using seven-point Likert scales, 1=not at all attractive, 7=extremely attractive) along the proposed identity dimensions. The gap was operationalised as the sum of the differences between responses to corresponding items on the two sets of questionnaires, present and future identity as well as present identity and future image. The sum of the differences created two sets of distinct variables: one, where the sum of the differences was positive denoting that the present identity was more attractive than the future identity and/or image and a second, where the sum of the differences was negative denoting that the future identity and/or image was more attractive than the present identity. Only the second set of variables was subsequently used in the analysis of the identity and image gap since the identity and image gap were operationalised as the discrepancy between current identity and desired future identity and image. However, in some parts of the analysis both sets of variables were used in order to prove the validity of the initial hypotheses.

The fourth section of the questionnaire requested information on the perceived communication patterns of the organisation. For communication patterns special interest was given in the degree of information flow, interaction and participation in the decision processes of the organisation. To measure this, a four-item scale was used deriving from the work of Glaser, Zamanou and Hacker (1987) on organisational culture measuring
information flow comprising also one item measuring employees' awareness of business objectives (Lahteenmki et al., 2000). Moreover, a three-item scale was used deriving from the work of Thomas and McDaniel (1990) measuring interaction and participation in the decision process. Items in the form of statements were responded to on 7-point Likert scales anchored by 'strongly agree' (7) through to 'strongly disagree' (1), thus extending the 1-5 Likert scale originally proposed by Glaser et al. (1987) and keeping the two scales in a similar Likert scale format. Glaser et al (1987) obtained a Cronbach alpha of .82 for the information flow subscale, while the Cronbach alpha obtained in the current study with the added item on employee awareness was .76. Similarly, Thomas and McDaniel (1990) reported an alpha coefficient of .86, while in this study a Cronbach alpha of .78 was obtained. Thus, obtained internal consistency reliability values for all the scales used in the current study were sufficient to infer their robustness and warrant their inclusion in the study. However, the obtained correlations between the two scales was very high, $r = .56$, so it was decided to use them as a whole scale in subsequent analyses. Table 5 summarises Cronbach’s Alpha coefficients for all the scales obtained in the current sample.
### Table 5. Descriptive Statistics and Correlations

<table>
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<th>Variables</th>
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<th>Non-Engaging</th>
<th>Fld</th>
<th>FIm</th>
<th>Pld</th>
<th>Plm</th>
<th>Comm</th>
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<th>Tenure</th>
<th>Contract</th>
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<td>.12*</td>
<td>.18***</td>
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<td>.19***</td>
<td>.14***</td>
<td>-.11*</td>
<td>.02</td>
<td>.06</td>
</tr>
<tr>
<td>Non-Eng</td>
<td>4.58</td>
<td>.64</td>
<td>-.23**</td>
<td>-</td>
<td>-.14**</td>
<td>-.22**</td>
<td>.27**</td>
<td>.19**</td>
<td>-.20**</td>
<td>-.10*</td>
<td>.15**</td>
<td>.07</td>
<td>.09</td>
<td></td>
</tr>
<tr>
<td>Fid</td>
<td>5.23</td>
<td>.46</td>
<td>NA</td>
<td>.12*</td>
<td>-.14**</td>
<td>-.22**</td>
<td>.27**</td>
<td>-.13</td>
<td>.19**</td>
<td>.13*</td>
<td>.06</td>
<td>.01</td>
<td>.09</td>
<td></td>
</tr>
<tr>
<td>FIm</td>
<td>4.87</td>
<td>.71</td>
<td>NA</td>
<td>.18**</td>
<td>-.22**</td>
<td>.27**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pid</td>
<td>4.27</td>
<td>.62</td>
<td>NA</td>
<td>-.11*</td>
<td>.27**</td>
<td>-.25**</td>
<td>-.22**</td>
<td>-.16*</td>
<td>-.12*</td>
<td>.06</td>
<td>.10*</td>
<td>.02</td>
<td>.06</td>
<td></td>
</tr>
<tr>
<td>PIm</td>
<td>4.12</td>
<td>.59</td>
<td>NA</td>
<td>-.10*</td>
<td>.19**</td>
<td>.09</td>
<td>-.13*</td>
<td>.16*</td>
<td>-.09</td>
<td>.08</td>
<td>.10*</td>
<td>.03</td>
<td>.04</td>
<td></td>
</tr>
<tr>
<td>Comm</td>
<td>4.08</td>
<td>.81</td>
<td>.79</td>
<td>.19**</td>
<td>-.20**</td>
<td>.26**</td>
<td>.19**</td>
<td>-.12*</td>
<td>.09</td>
<td>.19**</td>
<td>.09</td>
<td>.11*</td>
<td>.05</td>
<td></td>
</tr>
<tr>
<td>Hierarchy</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>.14**</td>
<td>-.10*</td>
<td>.12*</td>
<td>.13*</td>
<td>.06</td>
<td>.19**</td>
<td>-</td>
<td>.12*</td>
<td>-.13*</td>
<td>.16*</td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>-.11**</td>
<td>.15**</td>
<td>-.10*</td>
<td>.06</td>
<td>.10*</td>
<td>.10*</td>
<td>.09</td>
<td>.12*</td>
<td>.21**</td>
<td>.17**</td>
<td></td>
</tr>
<tr>
<td>Contract</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>.02</td>
<td>.07</td>
<td>.02</td>
<td>.01</td>
<td>.02</td>
<td>.03</td>
<td>-.11*</td>
<td>-.13*</td>
<td>.21**</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>.06</td>
<td>.09</td>
<td>.04</td>
<td>.09</td>
<td>.06</td>
<td>.04</td>
<td>.05</td>
<td>.16*</td>
<td>.17**</td>
<td>.19**</td>
<td></td>
</tr>
</tbody>
</table>

* p<.05; **p<.01, ***p<.001
The fifth section of the questionnaire contained 36 items relating to the interpretation of change as attractive and as non-engaging, quantified in terms of a number of dimensions as they were derived from the extensive qualitative thematic analysis conducted in Study 1, which framed the present conceptualisation of change interpretation, including perceptions of:

- Devalue and/or enhancement of the organisation's identity
- Illegitimacy
- Convention
- Possibility / Impossibility
- Support
- Functionality
- Attractive Future Image
- An Inadequate Present Identity

Items included in this section appear in Appendix VII, along with their expected a priori factorial membership. The scale was designed to assess on seven-point Likert scales the extent to which employees felt the implemented change as a whole was attractive or a change interpreted as non-engaging.

Finally, the sixth section of the questionnaire requested information of specific interest to the study organisation including, for example, rates of job satisfaction, intention to leave, etc. These questions were separated from the body of the questionnaire in order to minimise any error introduced by their inclusion.

### 7.4.2.4. Analytical Procedure

In order to explore the relationship between employees' organisational perceptions, communication patterns (as the sensemaking context) and change interpretation, a survey instrument containing all measures was administered to the population of a UK electronics company. The aims of the study were as follows:

1. To explore the value of the emergent model developed in Study 1 trying to link employees' perceptions of identity and image, the communication patterns and the interpretation of change.

2. To refine the model by establishing the relationship between the four sets of variables as proposed by the relevant hypotheses.
(3) To examine the psychometric properties of the instruments selected to assess the variables involved in the study.

Hypotheses 1, 3, and 5,7, as well as Proposition 1 were tested using path analysis (regression-stepwise). Four path models were tested, each of the first two utilising one of the identity variables (present vs. future) and each of the remaining two one of the image variables to investigate the differential relationships of organisational identity and image to interpretation. The path analytical technique enabled the identification of relative magnitudes of the direct and indirect effects of the communication context and image/identity variables on the interpretation of organisational change. In addition, relevant categorical variables including tenure, age, gender, contract-type and hierarchical level were entered into each equation as dummy variables. Stepwise multiple regression procedures used an F entry criterion of .05. Hypothesis 6 was tested by using the three regression equations procedure suggested by Baron and Kenny (1986). Multivariate regression was used to test the overall relationships between sets of variables.

Further, regression analyses tested hypotheses 2 and 4 that the identity gap between employee perceptions of the present/desired future organisational identity as well as between present identity and desired future image (image gap) examined in this study would predict the interpretation of change.

Finally, in order to obtain a measure of change interpretation, which would be transferable in different organisational contexts, with robust psychometric properties, comprehensively covering a wide range of dimensions that constitute employees’ perceptions of change as attractive and as non-engaging, a new measure was developed, based on the thematic content analysis conducted in Chapter Five. The instrument was administered to all staff employed by the company of electronics under study (n = 316). In order to establish the scale’s psychometric properties, the following procedural steps were required:

(1) Exploratory principal components factor analysis to uncover possible factorial structures

(2) Confirmatory maximum likelihood factor analysis to confirm factor structure

(3) Analysis of percentage response by item and analysis of percentage response by educational level to assess item comprehension across hierarchical levels

(4) Assessment of internal consistency of each factorial sub-scale via reliability analysis.
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The application of factor analytic techniques with this sample upheld certain psychometric guidelines, as detailed below:

(1) The sample was heterogeneous, taken from a single organisation across jobs and grades, although it was significantly skewed in terms of sex distribution, as noted in Section 7.4.2.1 above.

(2) The sample comprised 316 members, significantly exceeding the 100 minimum suggested by, e.g., Barret and Kline (1981).

(3) The item: subject ration was 10:1, greater than that suggested by Barrett and Kline (1981), and the conservative criterion suggested by Arrindel and van der Ende (1985).

7.4.3. Results

Because the initial focus of the study was on change interpretation, discussion will firstly focus on the results concerning the development of the instrument for measuring employees’ change interpretations and work back toward the testing of their relationships to the other major informant dimensions (i.e. employee perceptions and the communication patterns – sensemaking context).

7.4.3.1. Factor Structure Underlying the Change Interpretation Scale

Exploratory principal components factor analysis was undertaken with the 36 items constructed as part of the change interpretation measure. The exploratory principal components analysis reported the likelihood of a 2-factor structure (according to Scree and eigenvalues tests), which was tested in confirmatory mode via a maximum likelihood factor analysis, with 2 factors (the maximum likelihood analysis reported 2 factors whether eigenvalues>1 or 2 factors were specified) obliquely rotated to simple structure. The results are shown in Table 6, below. Please note that factor loadings lower than .3 have been excluded for the sake of clarity:

Table 6. Maximum Likelihood 2-factor analysis for change interpretation scale

<table>
<thead>
<tr>
<th>Change Interpretation Item No.</th>
<th>Factor Analysis (n=316)</th>
<th>Sub-scale Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 (Attractive)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 (Non-Engaging)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>.540</td>
<td>Attractive (A)</td>
</tr>
<tr>
<td>2</td>
<td>.394</td>
<td>(A)</td>
</tr>
<tr>
<td>3</td>
<td>.463</td>
<td>(A)</td>
</tr>
<tr>
<td>4</td>
<td>.463</td>
<td>(A)</td>
</tr>
<tr>
<td>5</td>
<td>.497</td>
<td>(A)</td>
</tr>
</tbody>
</table>
As indicated in Table 6, three items (7, 15, 28) were excluded from the scale at this stage. In all three cases, this was due to low factor loadings. These items were as follows:

*This is a change, which:*

- Provides the opportunity to work for a top company (7)
- Contributes to the company’s growth (15)
- Causes I don’t understand (28)

All remaining items loaded as expected. The solution converged in 12 iterations, explaining 48.6% of variance in the data: 19.8% for Factor 1 (eigenvalue = 5.51) and 28.8% for Factor 2 (eigenvalue = 8.92). The chi-square test of fit statistic reached 712.05, df = 271, with an associated probability value of p<.001. Of the remaining 32 items, 17
items loaded most highly on the attractive sub-scale and 16 items on the non-engaging sub-scale (see Table 7 below). The obtained correlation between factors was .22 p < .05.

Table 7. Items comprising each sub-scale. Eigenvalues and Percentage variance explained by each sub-scale

<table>
<thead>
<tr>
<th>Change Interpretation Sub-scale</th>
<th>Item Numbers</th>
<th>Sub-scale Eigenvalue</th>
<th>Percentage Variance Explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive</td>
<td>1,2,3,4,5,6,8,9,10,11,12,14,16,17,18,19,27</td>
<td>19.8</td>
<td>5.51</td>
</tr>
<tr>
<td>Non-Engaging</td>
<td>13,20,21,22,23,24,25,26,29,30,31,32,33,34,35,36</td>
<td>28.8</td>
<td>8.92</td>
</tr>
</tbody>
</table>

7.4.3.2. Principal Sub-Scale Reliability Analysis

Cronbach’s alpha was used to ascertain the internal consistency of each change interpretation sub-scale. **Attractive Sub-Scale:** Including all 17 ‘confirmed’ items within the attractive sub-scale yielded an alpha coefficient of .868 (n = 316). **Non-Engaging Sub-Scale:** Including all 16 ‘confirmed’ items within the non-engaging sub-scale yielded an alpha coefficient of .843 (n = 316).

7.4.3.3. Principal Sub-Scale Factor Structure

To further explore the factor structure underlying each of the two principal sub-scales, Principal Components factor analysis was undertaken with items comprising each sub-scale. For the Attractive sub-scale, several forced factor obliquely rotated solutions were obtained, ranging from 2-3-factor solutions, as well as a non-forced obliquely-rotated solution. Although three ‘unforced’ factors could be discerned from the eigen plot (i.e. Eigenvalues over 1.0), each of which appeared to describe psychometrically and conceptually distinct components of the attractive sub-scale, it was decided that the ‘forced’ two factor obliquely rotated solution was the most parsimonious. Factor 1 (11 items) describes attraction as it pertains to the enhancement of the value of the possible future organisational identity and image and the inadequacy of the present identity of the organisation. Factor 2 (6 items) pertains to the functionality and legitimacy of the change and the degree of the support it receives. Table 8 below presents the 2-Factor solution, which explains in total 46% of variance in the ‘attractive’ data (please note that loadings below 0.3 are excluded from the solution to improve clarity).
Table 8. Two factor solution for the Attractive sub-scale of the Change Interpretation

<table>
<thead>
<tr>
<th>Change Interpretation Number</th>
<th>Factor Number</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>.503</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>.744</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>.872</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>.373</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>.435</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>.695</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>.796</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>.668</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>.346</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>.812</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>.465</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td>.846</td>
</tr>
<tr>
<td>16</td>
<td></td>
<td></td>
<td>.764</td>
</tr>
<tr>
<td>17</td>
<td></td>
<td></td>
<td>.722</td>
</tr>
<tr>
<td>18</td>
<td></td>
<td></td>
<td>.679</td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
<td>.555</td>
</tr>
<tr>
<td>27</td>
<td></td>
<td></td>
<td>.364</td>
</tr>
</tbody>
</table>

These factors were labelled on the basis of conceptual content as follows, taking into consideration the highest loading items within each factor:

Factor 1: Enhancement (items 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12)

Factor 2: Functionality (items 14, 16, 17, 18, 19, 27)

Obtained correlations between the two factors were as shown in Table 9, below. The correlation between the two sub-scales was mediocre (p<.05), so the whole scale was used at the first stage of the subsequent inferential analysis.

Table 9. Obtained correlations between Attractive sub-scale factors

<table>
<thead>
<tr>
<th></th>
<th>Factor 1</th>
<th>Factor 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1</td>
<td>1.000</td>
<td>.212</td>
</tr>
<tr>
<td>Factor 2</td>
<td>.212</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Note that items 7 and 16 were excluded from all factored components of the attractive sub-scale due to low loading. Factor 1 (Eigenvalue = 5.93, %Variance = 29.6) remained relatively unchanged from the original three factor 'unforced' solution. However, factors 2 and 3 from the three-factor solution are in this instance collapsed into the 'Functionality' factor (Eigenvalue = 1.24, %Variance = 6.2). These two factors achieve the following alpha coefficient values of reliability: Factor 1 (Enhancement) Alpha = 0.877, Factor 2
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(Functionality) Alpha = 0.797. The total amount of variance explained by this sub-factor solution is 46% suggesting the need for cautions in the way sub-components of the attractive scale are used and interpreted.

The Non-Engaging sub-scale was also explored for its underlying factor structure. Two sets of successfully rotated solutions were obtained, an ‘unforced’ three-factor solution (which explains 58% of variance) and a ‘forced’ two-factor solution (which explains 55% of variance) respectively. The unforced three-factor solution is presented in Table 10, whilst the two-factor solution is presented in Table 11.

### Table 10. The three-factor solution for the Non-Engaging sub-scale

<table>
<thead>
<tr>
<th>Change Interpretation Number</th>
<th>Factor Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>13</td>
<td>-.838</td>
</tr>
<tr>
<td>20</td>
<td>.451</td>
</tr>
<tr>
<td>21</td>
<td>.795</td>
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<tr>
<td>22</td>
<td>.697</td>
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<tr>
<td>23</td>
<td>.631</td>
</tr>
<tr>
<td>24</td>
<td>.816</td>
</tr>
<tr>
<td>25</td>
<td>.788</td>
</tr>
<tr>
<td>26</td>
<td>.562</td>
</tr>
<tr>
<td>29</td>
<td>.611</td>
</tr>
<tr>
<td>30</td>
<td>.531</td>
</tr>
<tr>
<td>31</td>
<td>.968</td>
</tr>
<tr>
<td>32</td>
<td>.632</td>
</tr>
<tr>
<td>33</td>
<td>.823</td>
</tr>
<tr>
<td>34</td>
<td>.769</td>
</tr>
<tr>
<td>35</td>
<td>.711</td>
</tr>
<tr>
<td>36</td>
<td>.830</td>
</tr>
</tbody>
</table>

The three-factor solution explains 58% of variance in the ‘Non-Engaging’ data. Factor 1 (Eigenvalue = 4.65, %Variance = 34.8) pertains to items signifying the devaluation of the organisation’s identity, Factor 2 (Eigenvalue = 1.53, %Variance = 10.8) comprises items pertaining to the sense of illegitimacy, and Factor 3 (Eigenvalue = 1.0, %Variance = 3.8) comprises a single item pertaining to the sense of lack of support. Satisfactory alpha coefficients are obtained for two of the three factorial components: Factor 1 Alpha = 0.821, Factor 2 Alpha = 0.798, with Factor 3 a single item.

### Table 11. The two-factor solution for the Non-Engaging sub-scale

<table>
<thead>
<tr>
<th>Change Interpretation Number</th>
<th>Factor Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 11 yields equally meaningful factor components, where Factor 1 (Eigenvalue = 4.65, %Variance = 34.8) pertains to perceived devaluation of the organisation, and Factor 2 (Eigenvalue = 1.97, %Variance = 11.8) pertains to issues of illegitimacy, comprising at the present forced two-factor solution the item 31 (‘This is a change which is not supported by the culture of the company’). In other words, the factor structure remained quite stable. Overall, it is considered that the two-factor solution offers the most parsimonious explanation of the data. The solution, however, accounts only for just over half of the variance in the data, suggesting the need for caution in the use and interpretation of sub-components within the non-engaging sub-scale. Obtained correlations between the two Factors were as shown in Table 12. The correlations between the two sub-scales were quite significant (p<.05) not to warrant their use as separate variables at least at the first stage of subsequent inferential analysis.

Table 12. Obtained correlations between Non-Engaging sub-scale

<table>
<thead>
<tr>
<th></th>
<th>Factor 1</th>
<th>Factor 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1</td>
<td>1.000</td>
<td>.131</td>
</tr>
<tr>
<td>Factor 2</td>
<td>.131</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Table 13 provides a summary of the psychometric properties for each factor component of the principal sub-scales of the change interpretation scale. The attractive sub-scale comprises a component pertaining to the sense of ‘enhancing’ the perceived future organisational identity and image, and a ‘functionality’ dimension indicative of a focus on functional, legitimate and supportive aspects of the change effort. The non-engaging sub-
scale comprises a component pertaining to the sense of devaluing the desired present organisational identity and a sense of illegitimacy of the implemented change.

**Table 13. Summary of factored components of the two change interpretation sub-scales**

<table>
<thead>
<tr>
<th>Change Interpretation sub-scale factors</th>
<th>Item numbers</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attractive sub-scale</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhancement</td>
<td>1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12</td>
<td>.877</td>
</tr>
<tr>
<td>Functionality</td>
<td>14, 16, 17, 18, 19, 27</td>
<td>.797</td>
</tr>
<tr>
<td><strong>Non-Engaging sub-scale</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Devalue</td>
<td>13, 21, 22, 23, 29, 30, 32, 33, 34, 35, 36</td>
<td>.821</td>
</tr>
<tr>
<td>Illegitimacy</td>
<td>20, 24, 25, 26, 31</td>
<td>.798</td>
</tr>
</tbody>
</table>

Response rates by hierarchical level within the organisation were calculated for each item shown in Table 8 and Table 11 above, in order to assess the comprehensibility of each item. Where response rates fell below 85% for any group, it is judged that the comprehensibility of the item is suspect. For the present sample, no item fell below 87% response rate.

**7.4.3.4. Proposition Testing**

**7.4.3.4.1. Path Analysis (regression – stepwise)**

Table 5 presents the means, standard deviations, alpha coefficients, and correlations among all variables. As can be seen from this table, all reliabilities are within ranges deemed acceptable for basic research (Nunnally, 1978). All relationships between the four variables of organisational perceptions (sensemaking measures) and change interpretation are in the expected direction, with attractive present organisational identity and image related to a non-engaging interpretation of change, while attractive future organisational identity and image related to an attractive interpretation of change. Collinearity diagnostics revealed no multicollinearity between study variables.

Further, multivariate analysis indicated that, across all respondents, the set of independent variables (communication, present/future identity, and present/future image) was significantly related to the set of dependent variables (attractive and non-engaging interpretation). Multivariate results were Wilks’ lambda = .69, F = 12.56, p<.0001.

Initial inspection of Table 5, shows that close relationships exist between the sensemaking measures and the interpretation of change. In order to investigate the hypotheses further, a series of stepwise entry multiple regression models were constructed with an F entry
criterion of .05, entering the sensemaking measures onto each of the change interpretation measures in turn. The results of testing the proposed differential relationships between the sensemaking measures (i.e. identity and image) and change interpretation (Hypotheses 1 and 3) are shown in Table 14. The multiple regression results showed that there was a significant positive relationship between the attractiveness of future identity and the interpretation of change as attractive ($\beta = .15, t = 1.97, p < .05$), but not with the attractiveness of present identity ($\beta = -.08, t = -1.01, \text{ns}$), supporting hypothesis 1b. Further, the attractiveness of present identity was significantly related to the non-engaging interpretation of change ($\beta = .26, t = 4.24, p < .001$), while the attractiveness of future identity was not ($\beta = -.07, t = -1.23, \text{ns}$), supporting hypothesis 1a.

In testing hypothesis 3 (that the sensemaking measure of image would be differentially related to change interpretation) it was found that perceptions of an attractive future image was related both to attractive interpretations ($\beta = .13, t = 2.48, p < .05$), and to non-engaging interpretations ($\beta = -.11, t = -1.97, p < .05$), contrary to the prediction of hypothesis 3b, which was partially supported. Further, although an attractive present image was significantly related to a non-engaging interpretation ($\beta = .11, t = 1.89, p < .05$), it was not related to the attractive interpretation ($\beta = -.05, t = -.03, p = \text{ns}$), supporting hypothesis 3a. Overall, the pattern of relationships among the variables indicated that the attractiveness of future identity and image were related to an attractive interpretation of change, while the attractiveness of present identity and image were related to a non-engaging interpretation. However, the attractiveness of future image is related to both the attractive and non-engaging interpretation. Table 14 presents all the results from the regression analyses.

<table>
<thead>
<tr>
<th>Table 14. Regression Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>Attractive Interpretation</td>
</tr>
<tr>
<td>Communication</td>
</tr>
<tr>
<td>Present Image</td>
</tr>
<tr>
<td>Future Image</td>
</tr>
<tr>
<td>Present Identity</td>
</tr>
<tr>
<td>Future Identity</td>
</tr>
<tr>
<td>Tenure</td>
</tr>
<tr>
<td>Hierarchical level</td>
</tr>
<tr>
<td>Non-Engaging Interpretation</td>
</tr>
<tr>
<td>Communication</td>
</tr>
</tbody>
</table>

Table 14 presents all the results from the regression analyses.
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| Present Image | .11 | 1.89* |
| Future Image  | -.11 | -1.97* |
| Present Identity | .26 | 4.24*** |
| Future Identity | -.07 | -1.23 |
| Tenure         | .19 | 2.21* |
| Hierarchical level | .07 | .68 |

*p<.05; **P<.01, ***p<.001

In testing hypothesis 5, (that the communication pattern would relate directly to change interpretation), a negative relationship was found between communication (as operationalised in Section 8.4.2.3) and non-engaging interpretation (\(\beta = -.15, t = -2.89, p<.01\)), and a significant positive relationship between communication and attractive interpretation of change (\(\beta = .23, t = 3.63, p<.001\)) which indicates that wide and meaningful information sharing and involvement in decision making is associated with employees perceiving change as engaging, and in fact as attractive. Thus, the data support hypothesis 5, that the pattern of communication within the organisation is related to both attractive and non-engaging interpretation. Finally, in testing hypothesis 7, (that hierarchical level and tenure would relate to change interpretation), a significant positive relationship was found between hierarchical level and attractive interpretation of change (\(\beta = .17, t = 2.01, p<.05\)) but not with non-engaging interpretation. Further, a significant positive relationship was found between tenure and non-engaging interpretation (\(\beta = .19, t = 2.21, p<.05\)) but not between tenure and attractive interpretation of change (\(\beta = -.06, t = -.65, ns\)). Thus, hypothesis 7 was partially supported.

A general proposition was formulated noting that the sensemaking context (operationalised as communication pattern) would be related to perceptions of identity and image (Proposition 1). In testing proposition 1 it was found that the communication patterns in the organisation was a significant predictor of the attractiveness of both sets of identity and image variables. Thus, proposition 1 was broadly supported in that there was a general pattern of significant relationships between the sensemaking context and organisational perceptions. This can be seen clearly in Figure 19, which summarises the findings graphically.
To test for mediation (hypothesis 6), the following three regression equations were estimated for each path in Figure 19, above. First, regressing the mediator (sensemaking measures) on the independent variable (sensemaking context). Second, regressing the dependent variable (change interpretations) on the independent variable. And third, regressing the dependent variable on both the independent and the mediator. If the independent variable has no effect when controlling the mediator, there is full mediation. If the effect of the independent variable on the dependent variable is less in the third regression equation than in the second, then there is partial mediation (Baron & Kenny, 1986). This procedure revealed two paths that were fully mediational (i.e. the regression coefficient went from a .01 significance level to non-significance when controlling present identity). The first one is: Communication → Future Image → Non-Engaging Interpretation, while the second is: Communication → Future Image → Attractive Interpretation. A third path, Communication → Present Image → Non-Engaging Interpretation showed no mediation effects. The final paths, Communication → Future Identity → Attractive and Communication → Present Identity → Non-Engaging were partially mediated by employees’ perceptions of the attractiveness of future and present identity respectively. Thus, these results provide support for hypothesis 6.
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Table 15. Direct and Indirect Effects

<table>
<thead>
<tr>
<th>Sensemaking</th>
<th>Present Identity</th>
<th>Present Image</th>
<th>Future Identity</th>
<th>Future Image</th>
<th>Attractive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication Direct Effect on Sensemaking</td>
<td>Present Identity</td>
<td>Present Image</td>
<td>Future Identity</td>
<td>Future Image</td>
<td>Attractive</td>
</tr>
<tr>
<td>- .12*</td>
<td>-.14*</td>
<td>.19**</td>
<td>.21**</td>
<td>.23**</td>
<td></td>
</tr>
<tr>
<td>Indirect Effect on Sensemaking on Total Effect on Communication</td>
<td>Present Identity</td>
<td>Present Image</td>
<td>Future Identity</td>
<td>Future Image</td>
<td>Attractive</td>
</tr>
<tr>
<td>- .12*</td>
<td>-.14*</td>
<td>.19**</td>
<td>.21**</td>
<td>-.15**</td>
<td></td>
</tr>
</tbody>
</table>
| * p<.05; **P<.01, ***p<.001

When coupled with the university case study findings and the results of direct and indirect effects (Table 15), the path and mediation analyses indicated three primary paths, as shown in Figure 20. Paths 1 and 2 of Figure 20 deal with the direct and indirect effects of sensemaking context (i.e. communication) on interpretation. In path 1, it was found that communication affects the attractive interpretation of change both directly and indirectly through the attractiveness of future image. There is also a partially mediated effect through the attractiveness of future identity. In path 2, a similar pattern was found, where communication affects the non-engaging interpretation both directly and indirectly through the attractiveness of future image. There is no significant indirect path through the attractiveness of present image. The partially mediated effect is through the attractiveness of present identity (but not present image).
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Figure 20. Primary mediated paths and direct effects – Path 1

--- Direct Effect .23**

Indirect Effect .07

Communication Patterns

Present Identity  Present Image  Future Image  Future Identity

Non-Engaging Interpretation  Attractive Interpretation

Path 2

--- Direct Effect -.15**

Indirect Effect .06

Communication Patterns

Present Identity  Present Image  Future Image  Future Identity

Non-Engaging Interpretation  Attractive Interpretation

* p<.05; **p<.01, ***p<.001
7.4.3.4.2. Path Analysis Using the Sub-scales of Attractive and Non-engaging

Since the relationships between the two sub-scales of the attractive interpretation and the two sub-scales of the non-engaging interpretation was not very high, it was decided to explore further the relationship among the variables of the sensemaking process and the interpretation of change, using each of the sub-scales as dependent variables in the subsequent analysis. It was also of interest to explore whether there would be different patterns of sensemaking process for the different modes of interpretation. Multivariate analysis indicated that, across all respondents, the set of independent variables (communication, perceptions of attractive present/future identity and present/future image) was significantly related to the set of dependent variables (enhancement, functionality, devaluation, and illegitimacy). Multivariate results were Wilks’ lambda = .69, F = 12.56, p<.001.

In order to investigate the relationship further, breaking down the change interpretation measures into their sub-scale components was required, and a series of stepwise entry multiple regression models were constructed with an F entry criterion of .05. The measures of organisational perceptions (attractive present/future identity and attractive present/future image) were entered as well as the communication pattern for the sensemaking context onto each of the change interpretation categories in turn. The results of testing the relationships between sensemaking measures and change interpretation are shown in Table 16.

Table 16. Regression Results - Sub-scales of Attractive Interpretation

<table>
<thead>
<tr>
<th></th>
<th>Enhancement</th>
<th></th>
<th>Functionality</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
<td>$\beta$</td>
<td>$t$</td>
</tr>
<tr>
<td>Present Identity</td>
<td>-.11</td>
<td>-1.26</td>
<td>-.10</td>
<td>-1.19</td>
</tr>
<tr>
<td>Future Identity</td>
<td>.14</td>
<td>1.45*</td>
<td>.12</td>
<td>1.33*</td>
</tr>
<tr>
<td>Present Image</td>
<td>-.06</td>
<td>-.82</td>
<td>-.04</td>
<td>-.69</td>
</tr>
<tr>
<td>Future Image</td>
<td>.29</td>
<td>3.74***</td>
<td>.20</td>
<td>2.31***</td>
</tr>
<tr>
<td>Communication</td>
<td>.30</td>
<td>3.96***</td>
<td>.29</td>
<td>3.62***</td>
</tr>
<tr>
<td>Tenure</td>
<td>-.06</td>
<td>-.86</td>
<td>-.08</td>
<td>-.90</td>
</tr>
<tr>
<td>Hierarchical level</td>
<td>.18</td>
<td>2.13*</td>
<td>.17</td>
<td>1.98*</td>
</tr>
<tr>
<td>Contract</td>
<td>.08</td>
<td>.81</td>
<td>.06</td>
<td>.58</td>
</tr>
<tr>
<td>Age</td>
<td>.05</td>
<td>.65</td>
<td>.05</td>
<td>.54</td>
</tr>
</tbody>
</table>

* p<.05; **P<.01, ***p<.001

The first set of regression models was computed for the attractive scale of the change interpretation. The solutions yielded four predictors of employees’ perceptions of
enhancement. Employees’ perceptions of an attractive future organisational identity ($\beta = .14, t = 1.45, p<.05$) and future image ($\beta = .29, t = 3.74, p<.001$) predicted the use of the label of enhancement when they made sense of change. The perception of adequate and open communication flow throughout the organisation ($\beta = .30, t = 3.96, p<.001$) further contributed to employees’ interpretation. Finally, employees’ level in the hierarchy played an important role in predicting their interpretation of change as enhancing the future identity of the organisation ($\beta = .18, t = 2.13, p=.01$), denoting that employees at the higher levels were more likely to interpret change as attractive and enhancing for the future ($R^2 = .552, F = 81.4, p<.001$). Exactly the same set of predictors characterised the functionality sub-scale of the attractive interpretation ($R^2 = .538, F = 76.4, p<.001$). In summary, the pattern of prediction of the sub-scales of the attractive interpretation of change was the same with the set of predictors of the attractive scale, when it was used as a whole.

The second set of regression models was applied to the non-engaging measure of change interpretation. Change was interpreted as devaluing the central, enduring and distinctive characteristics of the organisation when employees perceived the present identity ($\beta = .29, t = 3.99, p<.001$) and present image ($\beta = .25, t = 3.01, p<.001$) as attractive but not the future organisational identity ($\beta = -.08, t = -.86, ns$). They also perceived that there was limited communication and involvement in the decision-making processes within the organisation ($\beta = -.20, t = -2.49, p<.01$). Employees’ interpretation of change as devaluing the organisational character was further negatively associated with their perceptions of the attractiveness of the future image ($\beta = -.26, t = -3.29, p<.001$). This means that employees who perceive the future organisational image as attractive are less likely to interpret change as devaluing ($R^2 = .661, F = 95.8, p<.001$) (Table 17).

The illegitimacy ($R^2 = .627, F = 94.4, p<.001$) label was characterised by the same set of predictors that predicted perceptions of devaluation, which was further accorded to the variables that predicted the non-engaging interpretation of change (Table 17).

| Table 17. Regression Results - Sub-scales of Non-Engaging Interpretation |
|------------------------|-----------------|-----------------|-----------------|-----------------|
|                        | Devalue Beta   | Devalue T      | Devalue Beta   | Devalue T      |
| Present Identity       | .29            | 3.99***        | .26            | 3.46***        |
| Future Identity        | -.08           | -.86           | -.11           | -1.25          |
| Present Image          | .25            | 3.01***        | .21            | 2.31**         |
| Future Image           | -.26           | -3.29***       | -.13           | -1.54*         |

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To examine further the relative strength of direct and indirect paths between the communication patterns of the sensemaking context, employees’ organisational perceptions and the sub-scales of attractive and non-engaging interpretation of change, the following three regression equations were estimated for each path, that derived from the combination of Table 16, Table 17 and Figure 19. First, regressing the mediators (employees’ perceptions) on the independent variable (communication); second, regressing the dependent variables (sub-scales of change interpretations) on the independent variable; and third, regressing the dependent variables on both the independent variable and the mediators. If the independent variable has no effect when controlling the mediators, there is full mediation; if the effect of the independent variable on the dependent variables is less in the third equation than in the second, then there is partial mediation (Baron & Kenny, 1986). Table 18 also summarises all the obtained direct effects of communication on all the variables, as well as the indirect and total effects of communication on the dependent sub-scales of the interpretation categories when controlling the mediators.

### Table 18. Direct, Indirect, and Total Effects

<table>
<thead>
<tr>
<th>Sensemaking</th>
<th>Present Identity</th>
<th>Present Image</th>
<th>Future Identity</th>
<th>Future Image</th>
<th>Enhancement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>Direct Effect</td>
<td>- .12*</td>
<td>- .14*</td>
<td>.19**</td>
<td>.21**</td>
</tr>
<tr>
<td></td>
<td>Indirect Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Functionality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>Direct Effect</td>
<td>- .12*</td>
<td>- .14*</td>
<td>.19**</td>
<td>.21**</td>
</tr>
<tr>
<td></td>
<td>Indirect Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Devalue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>Direct Effect</td>
<td>- .12*</td>
<td>- .14*</td>
<td>.19**</td>
<td>.21**</td>
</tr>
<tr>
<td></td>
<td>Indirect Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Illegitimacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>Direct Effect</td>
<td>- .12*</td>
<td>- .14*</td>
<td>.19**</td>
<td>.21**</td>
</tr>
</tbody>
</table>
The results revealed one path that was fully mediational (i.e. the regression coefficient for communication went from .01 significance level to non-significance when controlling the effect of attractive future identity on the enhancement) concerning the Enhancement subscale of the attractive interpretation: Communication → Future Image → Enhancement and one path that was partially mediated: Communication → Future Identity → Enhancement. There was also a direct effect between Communication and Enhancement. There was one indirect path for the Functionality sub-scale: Communication → Future Identity → Functionality and a direct effect between Communication and Functionality, but no path through the attractiveness of future image (Figure 21).

The results also revealed three fully mediational paths for the non-engaging sub-scales. Communication → Future Image → Devalue; Communication → Present Identity → Devalue (for the Devalue sub-scale). There was also a direct path between Communication and Devalue. The last indirect path was: Communication → Future Image → Illegitimacy. There was also a direct path for the Illegitimate sub-scale. All other paths were partially mediated by employees’ perceptions of identity and image (present and future) (Figure 22).

Figure 21. Mediated paths and direct effects for the attractive sub-scales
7.4.3.4.3. Identity Gap, Image Gap and Change Interpretation

Regression analyses tested the hypotheses that identity (perceived discrepancy between present and desired future identity) and image gap (perceived discrepancy between present identity and desired future image) examined in this study would predict the interpretation of change. For this part of the analysis, two different sets of variables were created. A negative sum of the differences or identity gap denoting an attractive future identity and a positive sum denoting an attractive present identity as far as the identity set is concerned. Regarding the image set, a negative sum of the differences or image gap denoted an attractive future image while a positive sum denoted an attractive present identity.

Figure 23 depicts the relationship between the identity gap (as operationalised in Section 7.4.2.3) and the interpretation of change as attractive. Regressing the attractive change interpretation onto the identity gap measure (i.e. negative), it was found that the quadratic curve fits best the data ($R^2 = .467$, $F = 134.45$, $p<.001$). These findings suggest that when employees perceive a high degree of correspondence between current and desired future identity, they do not interpret organisational change as attractive. The same pattern appears when they perceive a very low degree of correspondence between present and
desired future identity of their organisation. However, as Figure 23 shows, there is an area, where employees interpret change as attractive, when the gap ranges around -1 quadratic points in the curve estimation. It is implied therefore, that employees of the present sample interpreted change as attractive when they perceived that there is a substantive but not very large difference between the present and desired future identity of their organisation.

Figure 23. Curve Estimation of the Relationship between Identity Gap and Attractive Interpretation

Regressing the attractive change interpretation onto the positive identity gap measure (denoting that employees perceived the present identity as more attractive than the future), a negative linear relationship was found. This finding suggested that the greater the discrepancy between the desired present and the future identity, the less likely it is that employees will interpret change as attractive ($\beta = -.42, t = -12.39, R^2 = .402, F = 301.31, p<.001$).

The analysis is further broken down by the sub-scale components of attractive interpretation. The solution yielded that the quadratic curve estimation fits best the data, when enhancement was regressed ($\beta = .31, t = 5.71, p<.001$) ($R^2 = .455, F = 123.32, p<.001$) onto the negative identity gap measure as well as the functional sub-scale ($\beta =$...
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.15, t = 2.89, p<.001), (R^2 = .403, F = 100.09, p<.001). The findings suggest that the wideness of the discrepancy between the present and the attractive future identity affects the interpretation of change in enhancing and functional terms in a non-linear way. A very wide as well as a very narrow discrepancy are likely to effect negatively employees’ perceptions of enhancement and functionality of the change than medium levels of the perceived discrepancy (Figure 24). Regressing enhancement onto the positive identity gap revealed a negative linear relationship (\( \beta = -.39, t = -11.38, R^2 = .376, F = 281.37, p<.001 \)) as well as when the functionality sub-scale was regressed onto the positive identity gap (\( \beta = -.41, t = -12.21, R^2 = .398, F = 296.01, p<.001 \)).

Figure 24. Curve Estimation for the Relationship between Identity Gap, Enhancement and Functionality

Regressing the non-engaging interpretation onto the positive identity gap measure (i.e. discrepancy between desired present and future identity), a significant positive linear relationship was found between identity gap and non-engaging interpretation (\( \beta = .47, t = 15.28, R^2 = .431, F = 308.70, p<.001 \)), meaning that the more employees perceive there is a discrepancy between the attractive present and the future identity, the more likely they are to interpret change as non-engaging. Regressing the non-engaging interpretation onto the negative identity gap measure (i.e. discrepancy between desired future and present identity), a different pattern was obtained. The solution yielded that the quadratic estimation fits best the data (\( \beta = .30, t = 5.55, R^2 = .434, F = 112.12, p<.001 \)) suggesting that the wideness of the discrepancy between the present and the desired future identity
affects the non-engaging interpretation denoting an inverted-U relationship. A very wide gap as well as a very narrow discrepancy are likely to predict a higher degree of non-engaging interpretations than medium levels of the perceived discrepancy.

Moreover, when the analysis is broken down by the sub-scale components of non-engaging interpretation, it is revealed that the pattern of relationships between the sub-scale components of the non-engaging interpretation is quite different than the relationships revealed between the sub-scale components of the attractive interpretation measure and the identity gap measure. The findings suggest that the higher the perceived discrepancy between the desired present and future identity, the more likely employees are to interpret change as devaluing the organisation's identity ($\beta = .35, t = 5.97, p<.001$) and as illegitimate ($\beta = .23, t = 4.53, R^2 = .34, F = 104.54, p<.001$). Quadratic curves though fit best the relationship between a negative perceived discrepancy and devaluation ($\beta = .32, t = 5.98, R^2 = .472, F = 131.41, p<.001$) as well as illegitimacy ($\beta = .29, t = 5.59, R^2 = .438, F = 110.51, p<.001$). Thus, collectively, the results provide support for hypothesis 2.

Regressing the attractive interpretation onto the negative image gap (discrepancy between desired future image and present identity) revealed a quite different pattern of relationships than the one obtained between the negative identity gap and change interpretation. The findings suggest that there was a significant positive linear relationship between image gap and attractive interpretation ($\beta = .32, t = 6.44, p<.001$), meaning that the wider employees perceived to be the difference between the attractive future image and present identity the more likely it was to interpret change as attractive ($R^2 = .604, F = 111.32, p<.001$ (linear), $R^2 = .21, F = 81.12, p<.001$ (quadratic) (Figure 25). However, as can be seen from the quadratic results, it is apparent that when the image gap was too wide, employees were more likely to perceive change as less attractive than before.

Regressing the attractive interpretation onto the positive image gap (discrepancy between desired present identity and future image) suggested that the wider the discrepancy was perceived between the attractive present identity and future image, the less likely change would be interpreted as attractive ($\beta = -.35, t = -5.12, R^2 = .397, F = 98.09, p<.001$).
Figure 25. Curve and Linear Estimation of the Relationship between Image Gap and Attractive Interpretation

Attractive interpretation

Regressing the non-engaging interpretation onto the negative image gap measure, a significant negative linear relationship was found between the two variables. The findings suggest that the more discrepant the desired future image was from the present identity, (the future image was perceived more attractive), the less likely it was that employees would interpret change as non-engaging ($\beta = .37$, $t = 5.33$, $R^2 = .431$, $F = 101.54$, $p<.001$). The quadratic results ($R^2 = .161$, $F = 58.03$, $p<.001$) also showed that when the discrepancy was perceived to be very wide, employees were more likely to perceive change as non-engaging from that point on. Regressing the non-engaging interpretation onto the positive image gap measure, a significant positive linear relationship was obtained where the wider the discrepancy between the perceived attractive present identity and future image, the more likely it was that change would be interpreted as non-engaging ($\beta = .39$, $t = 5.47$, $R^2 = .456$, $F = 129.36$, $p<.001$).

The analysis was further broken down by sub-scale components of the attractive and non-engaging interpretation to explore the effect of the image gap measure on employees' interpretations. When the analysis was broken down, the negative image gap was a significant predictor of employees' perceptions of enhancement ($\beta = .26$, $t = 4.86$, $p<.001$), and of functionality ($\beta = .21$, $t = 3.29$, $p<.01$) ($R^2 = .41$, $F = 10.12$, $p<.001$). Also
the quadratic curve estimation fits the data \((R^2 = .22, F = 8.51, p < .01)\) showing that when the discrepancy is substantially high, the change is less likely to be interpreted as being functional and as constructing an enhanced future organisational identity. Furthermore, the positive image gap was significantly negatively related to employees' perceptions of enhancement \((\beta = -.25, t = -3.54, p < .001)\) and functionality \((\beta = -.23, t = -3.22, p < .001)\).

When the analysis was broken down by the sub-scale components of the non-engaging interpretation of change, the negative image gap was a significant predictor of the devaluing and illegitimacy interpretations. The results indicated that the higher the level of discrepancy between the future attractive image and present identity the less likely it was that employees would interpret change as devaluing the organisation's character \((\beta = -.27, t = -3.97, p < .001)\) and also the less likely it was that they would interpret change as illegitimate \((\beta = -.19, t = -3.01, p < .001)\). However, when the discrepancy is perceived as very wide for both variables, a significant inverted U-shaped relationship indicates that employees are more likely to interpret change as devaluing \((\beta = -.17, t = -2.75, p < .01)\) and illegitimate \((\beta = -.15, t = -2.31, p < .01)\) \((R^2 = .31, F = 50.37, p < .001)\). However, when a wide discrepancy was perceived between attractive present identity and future image, the more likely it was that employees would perceive change as devaluing \((\beta = .24, t = 5.54, p < .001)\) and illegitimate \((\beta = .22, t = 5.33, p < .001)\) \((R^2 = .33, F = 52.94, p < .001)\). Thus, collectively the results provide support for hypothesis 4.

7.4.3.4.4. Identity Gap as a Moderator of the Relationship between the Sensemaking Variables and Interpretation of Change

Exploring further the relationship between employees' perceptions of identity gap and the interpretation of change required the split of the identity gap measure into three, with the aim of creating three distinct groups: those who perceived a relatively small discrepancy between the present and desired future identity, those who perceived a moderate gap and, and those who perceived to be a wide gap between the two versions of identity. In this way, the question of whether there are any systematic differences among the three different groups in the way they interpret change was explored. The procedure was not repeated for the image gap measure as there was a strong positive relationship between perceived image gap and attractive interpretation of change as well as a strong negative relationship between perceived image gap and non-engaging interpretation of change.
Analyses of variance were performed to determine differences among employees in each group. The three groups were significantly different in the way they interpreted change.

One Way ANOVA yielded a significant difference among the groups (based on the identity gap measure) on the interpretation of change as attractive ($F = 8.6$, $df = 2$, $p<.001$) and as non-engaging ($F = 5.4$, $df = 2$, $p<.01$). Significant differences were also obtained among the groups on the sub-scales of both interpretation categories: interpretation of change as functional ($F = 3.9$, $df = 2$, $p<.02$) and as enhancing the perceived identity of the organisation ($F = 10.3$, $df = 2$, $p<.000$) as well as devaluing ($F = 4.3$, $df = 2$, $p<.01$) and illegitimate ($F = 2.9$, $df = 2$, $p<.05$). The three groups were also significantly different on their perceptions of the attractiveness of future identity ($F = 10.84$, $df = 2$, $p<.001$) and perceived communication support ($F = 9.38$, $df = 2$, $p<.001$).

Duncan multiple tests were performed to investigate further the difference in employees' interpretations of change, their perceptions of the attractiveness of future identity and the perceived sensemaking context between the three groups. These tests indicated that in most of the cases, the group who perceived that a medium gap existed between the present and the desired future identity perceived future identity and the communication support systems and interpreted change in a different way than the other two groups. The medium group perceived the enhancement of their organisational identity ($F = 15.43$, $p<.001$) and the functionality of the new initiative ($F = 12.06$, $p<.001$) as well as the change itself as attractive ($F = 16.02$, $p<.001$) significantly higher than the other two groups. The group was also significantly different in their perceptions of the attractiveness of future identity ($F = 21.39$, $p<.001$) as well as their perceptions of communication support and participation in the decision making ($F = 18.25$, $p<.001$) (Table 19).

**Table 19. Group differences based on the identity gap measure**

<table>
<thead>
<tr>
<th>Variable</th>
<th>No Gap (Group 1)</th>
<th>Medium (Group 2)</th>
<th>Wide (Group 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive</td>
<td>2.69b</td>
<td>5.09a</td>
<td>2.92b</td>
</tr>
<tr>
<td>Enhancement</td>
<td>2.54b</td>
<td>4.85a</td>
<td>2.72b</td>
</tr>
<tr>
<td>Functionality</td>
<td>2.70b</td>
<td>4.67a</td>
<td>2.85b</td>
</tr>
<tr>
<td>Non-Engaging</td>
<td>4.41b</td>
<td>4.03a</td>
<td>4.57b</td>
</tr>
<tr>
<td>Illegitimacy</td>
<td>3.76b</td>
<td>3.11a</td>
<td>3.90b</td>
</tr>
<tr>
<td>Devalue</td>
<td>3.53b</td>
<td>2.99a</td>
<td>3.46b</td>
</tr>
<tr>
<td>Communication</td>
<td>2.97b</td>
<td>4.82a</td>
<td>3.13b</td>
</tr>
<tr>
<td>Future Identity</td>
<td>2.66b</td>
<td>5.63a</td>
<td>3.07b</td>
</tr>
<tr>
<td>Present Identity</td>
<td>4.01a</td>
<td>3.34a</td>
<td>4.15a</td>
</tr>
<tr>
<td>Future Image</td>
<td>3.43a</td>
<td>5.01b</td>
<td>4.86b</td>
</tr>
<tr>
<td>Present Image</td>
<td>4.76a</td>
<td>2.86b</td>
<td>3.25b</td>
</tr>
</tbody>
</table>
The above results indicate that the perceived wideness of the identity gap strongly affects employees' perceptions of the attractiveness of future identity and communication as well as their interpretation of change. It was decided then to investigate further the effect of the perceived identity gap on employees' interpretation of change. Especially, it was of interest to explore further the relatively small positive relationship between the perceived attractiveness of future identity and the interpretation of change as attractive. Given these results it was speculated that the perceived identity gap might moderate (Baron & Kenny, 1986) the relationship between perceptions of an attractive future identity and the interpretation of change as attractive. The existence of a moderation effect was implied by the results of the qualitative case study (Chapter Six) where employees assessed the perceived feasibility and the wideness of the identity gap before evaluating the provisional content of the proposed future identities.

According to Baron and Kenny (1986) moderation implies that the causal relation between two variables changes as a function of the moderator variable. The statistical analysis must measure and test the differential effect of the independent variable on the dependent variable as a function of the moderator. The way to measure and test the differential effects depends on a) the level of measurement of the independent variable and the moderator variable (i.e. categorical or dichotomous variable) and b) on the way in which the moderator changes the effect of the independent variable on the dependent variable (i.e. linear, quadratic and/or step).

The aim of the present analysis is to explore whether perceptions of the wideness of the identity gap moderates the effect of the perceived attractiveness of future identity on the interpretation of change as attractive. In this case, both the moderator and the independent variable are continuous. Moreover, Figure 26 indicates that the effect of the independent variable on the dependent varies quadratically with respect to the moderator, the perceived wideness of the identity gap.
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Figure 26. The quadratic way in which the moderator changes the effect of the future identity on the attractive interpretation

![Graph depicting the quadratic relationship between mediator and effect of future identity]

Quadratic moderation can be tested by hierarchical regression procedures. According to Baron and Kenny (1986) if the independent variable is denoted as X (future identity), the moderator as Z (negative identity gap), and the dependent variable as Y (attractive interpretation), Y is regressed on X, Z, XZ, Z², and XZ². Moderator effects are indicated by the significant effect of XZ² while X and Z are controlled. Table 20 summarises the results from this hierarchical regression analysis indicating that the perceived wideness of the identity gap moderates the relationship between attractive future identity and attractive interpretation of change.

Table 20. Hierarchical regression analysis results for moderation

<table>
<thead>
<tr>
<th>Model</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>4.229</td>
<td>.000</td>
</tr>
<tr>
<td>Fid</td>
<td>.156</td>
<td>.595</td>
<td>.553</td>
</tr>
<tr>
<td>Identity Gap</td>
<td>.356</td>
<td>2.56</td>
<td>.011</td>
</tr>
<tr>
<td>XZ</td>
<td>.332</td>
<td>2.29</td>
<td>.023</td>
</tr>
<tr>
<td>Z²</td>
<td>.513</td>
<td>1.92</td>
<td>.050</td>
</tr>
<tr>
<td>XZ²</td>
<td>.546</td>
<td>3.41</td>
<td>.001</td>
</tr>
</tbody>
</table>

The above results indicate that the effect of the perceived attractiveness of future identity on the attractive interpretation of change may be more effective for employees who perceive that there is a medium gap between the present and the desired future than employees who perceive a small or a very wide discrepancy. The moderator effect of perceived identity gap was also obtained when the dependent variables were the sub-scales of enhancement and functionality.

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Moreover, it would be interesting to explore how perceived identity gap is incorporated into the model of change sensemaking (Figure 18) calling for a framework for combining mediation and moderation (Figure 27, below). Figure 27 presents a combined model with both mediation and moderation which indicates that perceived identity gap is the moderator and future identity the mediator. Communication support is the independent variable and the interpretation of change (i.e. attractive) the dependent variable. It was showed from the results above that the independent variable and the moderator are continuous variables and that moderator effects are quadratic.

Figure 27. Path diagram combining mediation and moderation

The fact that the mediation relations are contingent on the wideness of the perceived identity gap suggests the need to use James and Brett (1984) amendment of Rozeboom’s (1956) definition of mediation to include moderation. Using hierarchical regression analysis the attractiveness of future identity was regressed on the communication support variable, on the perceived identity gap variable and finally on the interaction of communication with the identity gap. Table 21 depicts that the interaction of communication and identity gap is significant when controlling for the other variables which according to James and Brett (1984) is an indication of moderation. In this sense, it is implied that the relation between communication and the attractiveness of future identity is moderated by the perceived wideness of the identity gap.

47 Since the moderator effect is quadratic the test of quadratic moderation will be given by $XZ^2$, which is the interaction of communication with the square of identity gap.
Table 21. Identity gap moderates the relationship between communication and future identity

<table>
<thead>
<tr>
<th>Model</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>5.236</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>.207</td>
<td>.895</td>
<td>.147</td>
</tr>
<tr>
<td>Identity Gap</td>
<td>.405</td>
<td>2.79</td>
<td>.009</td>
</tr>
<tr>
<td>Comm X Gap</td>
<td>.362</td>
<td>2.34</td>
<td>.016</td>
</tr>
<tr>
<td>Gap²</td>
<td>.502</td>
<td>1.66</td>
<td>.048</td>
</tr>
<tr>
<td>Comm X Gap²</td>
<td>.531</td>
<td>3.25</td>
<td>.001</td>
</tr>
</tbody>
</table>

The above results indicate that moderation is functionally involved in the first stage of the mediation relation, but the moderator identity gap is not a mediator. Specifically, variation in communication affects the attractiveness of the future organisational identity, but the explanation of the effects of communication on future identity is contingent on the wideness of the perceived identity gap. In this model however, moderation carries over into the second stage of mediation because the relations between attractive as well as non-engaging interpretation of change and future identity are contingent on the perceived wideness of the identity gap. In order to test the moderational effect of identity gap on the relation between perceived future identity and attractive interpretation of change, the attractive interpretation is regressed hierarchically on future identity, perceived identity gap and the interaction of future identity and identity gap. According to Table 20 the interaction is significant suggesting that future identity transmits the influence of communication to attractive interpretation and enhance the explanatory power of the model by specifying the processes through which communication acts on the attractive interpretation of change. However, such transmission and enhancement is contingent on the perceived wideness of the identity gap, and although identity gap transmits nothing from communication to attractive interpretation and thus cannot be a mediator, it contributes directly to the explanatory power of the model.

7.4.4. Discussion

In assessing how far the original hypotheses have been tested, it has to be acknowledged that the indices used to measure the variables could not be said to sample all aspects of their psychological domain. Space constraints in the questionnaires prevented the use of more comprehensive scales. The data support several of the hypotheses but only in relation to the narrow definitions of the variables embodied in the scales.
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The survey results offer general support, clarification and refinement of the findings of the university case study. These results illustrate that perceptions of the attractiveness of present/future identity and image have significant and systematic relationships with employees' interpretations of organisational transformation and change. The refined model also provides support for the effect of the sensemaking context on the interpretation of change. Although the external conditions related to the change are clearly influential, the communication patterns in place significantly contribute to an internal context that facilitate the interpretation of change. Thomas et al. (1993), using a communication patterns perspective, showed that the information processing structure was significantly linked to managers' interpretation of strategic issues, but they did not identify or explore the means by which this linkage occurred. The present work argues that the theoretical and empirical connection lies on employees' perceptions of the organisation (i.e. perceived identity and image). Perceptions of image and identity not only directly affected change interpretation, they also served as influential linkages between the organisational sensemaking context and the interpretation of change.

With respect to the specific path results, several significant relationships need to be highlighted. As Figure 20 shows, perceptions of an attractive present identity relates only to a non-engaging interpretation. This suggests that an emphasis on present identity (especially in dynamic environments) leads to interpretations of change that are focused on the status quo, thus pushing employees away from interpretations that might facilitate organisational change. On the other hand, an emphasis on attractive future identity can motivate attractive interpretations of change, framing change in desired and aspirational terms. As Dunphy (1996: 547) noted, "a change does not tell it 'as it is' but 'as it should be'..." A plausible, attractive, even idealistic future identity would seem to help employees envision and prepare for the dynamic environment implied by transformational organisational change (Gioia & Thomas, 1996). When change is articulated in provisional and attractive terms, a context is formed of employees thinking and talking in the future tense. This picture not only portrays identity as fluid, it also portrays organisations as more capable of change than is typically assumed. Practically speaking, it suggests that formulating a compelling provisional future identity that people can associate with and commit to can facilitate the implementation and eventual success of strategic reorientations and large-scale organisational changes.
Attractive interpretations of change are further facilitated by perceptions of an attractive future image suggesting that future image fosters perceptions of a functional, legitimate change that enhances employees' perceived future identities. The desired organisation that is manifested in attractive and aspirational future images seems to guide interpretation toward those aspects of a change that, when acted upon, can help realise organisational transformation in a changing environment. Attractive future image thus contributes to an interpretative context that facilitates transformational and large-scale reorientations. At the same time, the conspicuously significant relationships between attractive future image and employees' interpretation of change as devaluing and illegitimate has also a theoretically important implication about the relationship between identity change and image. The findings here suggest that the more attractive the present organisational identity is, employees are more likely to interpret change as devaluing and as illegitimate for the organisation. However, when they perceive the future image as attractive they are less likely to see the change as devaluing and/or as illegitimate. Thus, the findings here suggest that an attractive future image may destabilise identity and 'pull' it into alignment with the attractive image providing a means for accomplishing changes in organisational identity.

Moreover, it was found that richer communication patterns (i.e. those with more participation and interaction and less formality) were related to more attractive perceptions of the future organisational identity and image. Communication patterns clearly provide a context for the institutionalisation of provisional future identities and desired future images. If the emphasis is on “who we are”, communication provides the means for justifying and reinforcing the status quo: if the emphasis is on “who we want to be”, communication becomes a driver for legitimising an altered identity and image.

Finally, the regression results revealed that the individual characteristics played a significant role in the interpretation of change both as attractive and as non-engaging suggesting especially that the hierarchical level affects employees' interpretation of change as attractive, while tenure affects their interpretation of change as non-engaging. This finding is similar to the findings of Hitt and Tyler (1991) who found that executive level, tenure, and education were significant moderators when decision choice of engaging into strategic change was the dependent variable.

7.4.4.1. Gap in Organisational Perceptions and Interpretation of Change
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The results further indicate that the relationship between the width of the identity gap (which is the difference between present and desired future identity) and image gap (discrepancy between desired future image and present identity), and the likelihood of attractive interpretations of change is not a linear one, as it is depicted in Figure 23 and Figure 25. The findings indicate the existence of an inverted U-shaped relationship indicating that changes perceived as introducing very narrow and very wide identity gaps are less like to engage employees in their implementation. A narrow identity gap may suggest that the organisation's current state is already sufficiently aligned with the desired future (Heider, 1958; Higgins, 1987; Osgood & Tannenbaum, 1955). In this case, the existing identity is affirmed and no apparent need for change exists. On the other hand, changes perceived as introducing a substantially different future (i.e. wide identity gap) may be interpreted as overoptimistic and unattainable and employees may resist attempts to achieve them (Higgins, 1987).

However, when the change proposes a future substantially different from the present but not so great that employees perceive it as impossible, then change is likely to be interpreted as attractive. Imperfection in the fit between the actual and the ideal self are a source of "organisational stress" (Huff et al., 1992: 58) leading employees to seek to close the gap. Organisational members will not be content to remain in a state they believe is sub-ideal because it results in uncomfortable negative affect (Bourgeois, 1985; Higgins, 1987) and they will try to change. The only necessary then preconditions for desiring the proposed change is that employees can make sense of it and perceive it as necessary and attainable. (Osgood & Tannenbaum, 1955). An identity gap can be closed by changing current practices and beliefs to pull current organisational identity into alignment with the desired future facilitating thus employees' acceptance of new organisational conceptualisations. By altering current organisational identity, what was previously believed to be unsuitable now becomes acceptable. However, in the case of unsuccessful change the identity gap is closed by altering beliefs about what is desired to render these beliefs more consistent with current identity.

Besides, employees' understanding of the new orientation of the organisation is not static throughout the implementation process. As employees learn about the new organisational orientation through training or experience, additional elements are recognised and added to the conception of what should constitute the new organisational gestalt, or what could been called desired future organisational identity. Increasing knowledge and experience in
a domain assists employees in developing a more elaborate schema that includes finer
distinctions along constructs and a larger number of constructs to differentiate the schema

The findings concerning the effect of the identity gap on change interpretation are
supplemented by the non-linear relationship also observed between the perceived image
gap (the discrepancy between desired future image and present identity) and change
interpretation. In other words, it was further supported that moderate changes
characterised by a substantially wide gap between employees’ perceptions but not so great
that employees can make sense of the desired future can overcome cognitive inertia
without overwhelming the organisation. The nature of the results concerning the
discrepancy between present identity and desired future identity and image and their effect
on change interpretation denotes that the identity and image gap (as operationalised here)
have different effect on interpretation than simple employees’ perceptions of an attractive
future identity and image. It is therefore implied that even a change that is perceived as
inherently attractive and beneficial may not capture employees’ engagement (as predicted
by hypotheses 1b and 3b) because it is framed in very different terms than those they use
to make sense of change situations.

Recent work on organisational change suggests that to understand change one must first
understand organisational inertia, its content, its tenacity, its interdependencies. When
organisational inertia is operationalised as the collective effect of the self-fulfilling
character of members’ organisational identities, the existence of moderate gaps through
which employees can actually make sense and understand change suggest a different
conceptualisation of episodic transformational change. It is implied therefore that
transformational change is realised through the ongoing sensemaking of organisational
members, through ongoing and moderate adaptation and adjustment.

Finally, the findings suggest that the notion of identity gaps is relevant when identity and
image gap are operationalised as the discrepancy between present identity and desired
future identity and image. Perceptions of the gap between desired present identity and
future identity and image produced only linear relationships with employees’
interpretations of change. In this case the identity and image gaps denoted that present
identity is more attractive than future identity and image and they ended up to measure the
attractiveness of present identity in comparison to future identity and image. For this
reason, their effect on change interpretation coincides with the effect of employees’
perceived attractiveness of present identity on change interpretation, as predicted by hypothesis 1a.

7.5. CONCLUSION

The results suggest some very interesting relationships between employees’ organisational perceptions and the interpretation of transformational organisational change. However, the proposed model accounted for only .29 of variance explained in the interpretation of change as attractive and .17 as non-engaging. Nevertheless, overall, it appeared that the relationships between the sensemaking context, organisational perceptions and change interpretation are interesting ones and worthy of further investigation. However, a number of issues regarding the operationalisation of the sensemaking context notion remained outstanding and required further exploration in order for the context to significantly predict either directly or indirectly, through employees’ organisational perceptions, the interpretation of change.

Originally, the sensemaking context was operationalised to focus specifically on elements of communication within the workplace, as indicated by the qualitative case study, hence its use of dimensions such as ‘information flow’, ‘involvement’ and ‘participation in the decision processes’, to identify a range of areas relevant to effective communication within the organisation. Whilst this issue was found to be of crucial importance to the study sample, it was felt that focusing too closely on communication issues alone may limit the operationalisation of the sensemaking context through which employees make sense of organisational change. Remaining mindful of the range and depth of organisational issues reported in the literature as being relevant to employees’ interpretation of change, it was decided that a more thorough review of the existing literature would be necessary in order to assess the relative utility of various dimensions of organisational contexts in predicting change interpretation. This issue will be addressed in the next chapter.
CHAPTER EIGHT

SENSEMAKING CONTEXT, ORGANISATIONAL PERCEPTIONS AND CHANGE INTERPRETATION

8.1. OVERVIEW

To date, conceptualisations of organisational change have generally focused on the relationship of an organisation to its external environment. As Ansoff (1965: 5) put it, change is "primarily concerned with external rather than internal problems of the organisation". In this sense, change tries to adapt the organisation to its external environment ignoring however the organisation's internal systems and structures (Nadler & Tushman, 1980), culture (Schein, 1977), and human resource practices (Angle, Manz, & Van de Ven, 1985; Schuler & Jackson, 1987; Zeitz, 1996). Hatch and Schultz (1997) argue that these internal systems contextualise and guide the attribution of meaning to the change making organisational adaptation successful. It has been argued so far that change requires the development of new understandings and employees' cognitive reframing in order to make sense of the change. Employees' definition and experience of change may determine its acceptance and it is the internal organisational context, the internal structures, culture and human resource practices that guide the development of employees' interpretations of change (Hatch & Schultz, 1997). The aim of this chapter then is to identify some of the characteristics of the internal organisational context within which interpretations of change are formed and intentions to influence organisational identity are formulated.

Chapter Two has extensively argued that models of how organisations change over time (through their relationship with the environment) have typically assigned causal primacy to either environmental or internal organisational forces. Advocates of institutional theory, resource dependence, and population ecology for instance have highlighted the environmental forces, while strategic choice and organisational behaviour theorists have emphasised the organisational. Still other theorists have assigned primacy to some combination of the two forces (e.g., Hambrick & Finkelstein, 1987; Hannan & Freeman,
Chapter Eight - Sensemaking Context and Change Interpretation

1984; Tushman & Romanelli, 1985). However, even though these stances on the issue argue to a greater or lesser extent that a significant prerequisite of organisational transformation is employees’ cognitive reframing and the development of favourable interpretations of change (e.g., Daft & Weick, 1984; Dutton, 1988; Milliken, 1990), a literature that supports the findings of the present work, neither of these look in depth at the processes that guide employees’ interpretations and cognitive reframing.

In this thesis, a framework has evolved that captures the process through which organisations adapt to their environments and change via their employees’ process of making sense of change (also see Chapter Two, Section 2.4). Employees’ sensemaking of change as well as their perceptions of the degree of discrepancy between past and future organisational stories influence their interpretations as well as their attitudes toward a change effort (Ashforth & Mael, 1996). This claim is built (inductively) from the university case study (Chapters Five and Six) exploring how employees in an academic institution made sense of and interpreted a fundamental shift in paradigm, a proposition that was then further tested (deductively) in an industrial organisation. This claim assumes that organisations have identities (Albert & Whetten, 1985; Ashforth & Mael, 1989) that influence how employees interpret organisational issues as well as how they behave toward them, through their perceptions of these identities. The assertion that organisational identity (present and future) affects change interpretation and actions has received some support from other studies of organisational adaptation and change (Barr et al., 1992; Cummings & Worley, 1997; Dutton & Dukerich, 1991; Dutton et al., 1994; Gioia & Thomas, 1996; Swan & Newell, 1998). It is also assumed that employees use their perceptions of external organisational images as lenses through which to interpret organisational change as attractive and/or as non-engaging.

The present thesis is also built on the idea that ‘internal’ contextual features also exert influence on interpretations of change, although this does not deny that changes in the external environment also influence the interpretation process. Research suggests that when exposed to similar stimuli, employees in different organisations or even in the same organisation (due to the effect of sub-cultures) will form different interpretations of the same organisational issue (e.g., Lawrence & Dyer, 1983; Meyer, 1982). Daft and Weick (1984) argued that these differences may, in part, be the result of particular frameworks or contexts that direct attention to particular information and interpretations. In other words,
employees' interpretations are a product of multiple sources of influence, and these sources may emanate from the different contexts in which employees are situated.

One 'internal factor' that has been shown to play an important role in guiding interpretations of organisational change is communication (Thomas, Shankster, & Mathieu, 1994). In particular, characteristics such as perceptions of the frequency of interaction, information flow and degree of participation by employees in decision making have an effect on the interpretation of change either as attractive or as non-engaging. In Chapter Seven a significant positive relationship was obtained between communication and attractive interpretation, which indicated that wide and meaningful information sharing and involvement in decision making was associated with employees perceiving change as engaging and in fact as attractive.

In this chapter, two studies are described that further investigate the internal contextual features of the organisation that exert influence on change interpretation and thus, refine further the model of employees' sensemaking of transformation organisational change. The studies also add to research on the temporal dimensions of interpretation (e.g., Dutton, 1988; Isabella, 1990) by describing how the internal organisational context contributes to how an employee interprets change. First, the possible link between various dimensions of the perceived internal organisational context and the interpretation of change were investigated. The potential mediating impact of the perceived attractiveness of present/future identity and image on the relationship between the sensemaking context and interpretation was also explored. Finally, the relationship between identity and image gap and their impact on the interpretation of change as attractive and as non-engaging was revisited.

8.2. SENSEMAKING PROCESSES IN THE INTERPRETATION OF CHANGE

8.2.1. Sensemaking Context in the Change Interpretation Literature

How organisations evolve and change is an important conceptual and organisational issue. Organisations frequently find instituting transformational change difficult. Crucial to this process is the development of a capacity or a context that will affect the organisation's capacity for change via its effect on employees' alterations of their organisational identities and their interpretation of change. An issue of vital importance then is how perceptions of organisational change are shaped among employees by the impact of the perceived internal organisational context (Burke & Litwin, 1992).
8.2.1.1. The Learning Organisation

The idea of the learning organisation (Argyris & Schon, 1978; Garrat, 1987; Peters & Waterman, 1982; Senge, 1990) as a sensemaking context suggests one way of conceptualising how perceptions of organisational change are shaped within the organisational context. Within the context of a learning organisation, organisational members accept that the formation of the organisation’s identity is “never closed and that it will develop a series of identities through time that reflect the organisation's and its members’ evolving self-concepts” (Brown & Starkey, 2000: 108). Here, the characteristics of the learning organisation are examined, with particular emphasis upon three features that have a significant influence on how change is interpreted and particular importance for promoting changes in organisational identity through time: (1) integrating, (2) improving, and (3) implementing (Boydell & Leary, 1996).

The mode of organisational learning may have a contextual influence on how change is interpreted (Klimecki & Lassleben, 1998). Learning involves a reintegration of the processual, structural, and content aspects of organisational self (Brown & Starkey, 2000). In this sense, it could facilitate a new synthesis among characteristics of the past and present and expectations about the future (Senge, 1990) and encourage employees’ favourable interpretations of change (Dutton et al., 1994) promoting in this way organisational transformation and change. In this way, a deep and essential sense of purposeful continuity is created and perceptions of threat are confined (Argyris, 1990).

Hirschhorn (1988) argues that in order to promote favourable interpretations and acceptance of change, a work context is needed in the ‘post-modern’ organisation (Gioia, 1988) that reinforces feelings of doubt and paradox, characterised by a culture of being open to others (Hirschhorn, 1997), supporting an identity that is “not-fixed, one-dimensional and fully formed but instead it unfolds over the organisational life course” (Hirschhorn, 1997: 17-18).

Organisational learning provides the context for organisational change as it involves employees’ critical consideration of the existing identity structure based on an ongoing search for a time- and context-sensitive identity (Brown & Starkey, 2000). This search involves employees’ exploration of alternative perspectives of the organisation as they continuously explore the limits of its identity (Marcia, 1988). This context establishes the questioning of the ongoing viability of existing identity which provides an internal force
for change (this discussion is further elaborated by the notion of the absence of identity gap within organisations (Section 8.2.4)).

Further, organisations with strong identities and very tightly defined core beliefs and values are prone to become rigid eventually, as their tight and closed boundaries reduce learning potential and change (Miller, 1993) (see Chapter Three, Section 3.2.7 for a description of identity as a self-fulfilling, closed system). On the other hand, an internal context that facilitates integrative, improving and transformative learning supports the modification of employees' perceptions of the core of the organisation and its identity (Lundberg, 1989). Organisational transformation requires that organisational members and groups develop alternative perspectives of the future relative to those that characterise the status quo (Brown & Starkey, 2000). These alternative perspectives, outcomes of critical considerations, call into question the efficiency of the dominant present identity as the proposed change is implemented. In this context, then, organisational members are willing to question the present identity of their organisation and promote transformational change constructing favourable and attractive interpretations of change efforts. The process of change thus depends upon an organisation's ability to provide a context where employees can learn in an integrative and improving way, understand and manage discord (Argyris, 1990; Argyris & Schon, 1978; Senge, 1990).

The goal of an integrative and improving 'learning mode' is not to support one lasting 'core' self (Dodgson, 1993; Senge, 1990) but to encourage more provisional organisational identities (i.e. self-fulfilling and more enabling of alternative futures) in order to achieve a balance between continuity and discontinuity (Brown & Starkey, 2000; Dimen, 1991; Harris, 1991) between internal needs and external demands (Hatch & Schultz, 1997). Where there is too much discontinuity, there is anxiety of instability and fragmentation and where there is too much continuity, there is a fear of inactivity and inertia (Mitchell, 1993). The difference though between integrating and improving 'mode of learning' according to Boydell and Leary (1996: 208) is that while integrating is characterised by a sense of creativity through 'holistic' and systematic problem solving, improving is characterised by initiative-taking and experimentation but constrained by small scale improvements within existing boundaries.

Boydell and his colleagues (Boydell & Leary, 1996; Pedler, Burgoyne & Boydell, 1997) propose a third learning mode, the implementing mode, which implies that organisations and their members clung to a fantasy of an ideal and they are unable to realise other
possible ways of being, other forms of identity that could serve them more effectively. This mode of learning is founded upon the past and history of the organisation and possibly encourages perceptions of attractiveness of the organisation's present identity. However, the lessons of the past are not enough to sustain future prosperity (Klimecki & Lassleben, 1998). This could imply that employees functioning in an organisational context characterised by an implementing 'mode of learning' will be unwilling to accept and engage themselves to new organisational forms and transformations. Employees and organisations need to strike a balance among past, present and future in the same way that they need to manage the tension between continuity and discontinuity (Dimen, 1991).

Further, in some organisations, the fear of discontinuity can reinforce a tendency to reaffirm a past identity with which the organisation and its members are more familiar and comfortable (Argyris, 1990; Smith & Alexander, 1988). The above discussion, thus, has led to the formulation of the following hypotheses:

**Hypothesis 1:** The mode of organisational learning is related to change interpretation.

**Hypothesis 1a:** Integrating mode of learning will contribute to a context that is systematically positively related to attractive interpretation and negatively related to non-engaging interpretation.

**Hypothesis 1b:** Implementing mode of learning will contribute to a context that is systematically positively related to non-engaging interpretation and negatively related to attractive interpretation.

**Hypothesis 1c:** Improving mode of learning will contribute to a context that is systematically positively related to attractive interpretation and negatively related to non-engaging interpretation.

8.2.1.2. Trust and Development

Beer and Eisenstat (1996) argue that a central characteristic of internal context factors affecting the interpretation of change is a general willingness to take risks or break from the status quo. Change entails moving in a new direction and may be accompanied by some degree of risk. Discomfort in departing from the established ways may squash change opportunities or attempts (Argyris, 1990).

As change involves deviation and a certain amount of risk-taking (Moran & Brightman, 2000), employees would most likely avoid change behaviours unless they operated in a situation in which they felt secure. The development of a climate of trust in the
organisation so that “members risk change because they come to trust the organisation as a matrix of corrective emotional experience” (Eisold, 1985: 47) constitutes a second way of conceptualising how perceptions of organisational change are shaped. Research has shown that employees need to perceive an emotional climate in which they can balance the need to feel they belong to an organisation without losing or devaluing their identity so that they can work toward the new organisational goals that enhance their self-esteem (Brown & Starkey, 2000). Therefore, the presence of a high level of trust represents another necessary condition for favourable interpretations of change, change attempts and acceptance.

Employees’ exploration of alternative future identities is also facilitated, developed and maintained by an internal context that provides opportunities to express and develop themselves in their work which is valued by salient significant others (Banaji & Prentice, 1994). Another element, thus, of the internal context to be considered in the facilitation of change is the support of employee development. By developing employee skills, the organisation is capitalising on the prospect that employees will not only recognise change opportunities when they emerge, but will also have the capacity and confidence to favourably interpret and to take such opportunities (Mullins & Cummings, 1999; Leonard, 1997). These arguments lead to the following hypotheses:

Hypothesis 2: The level of trust and employee development are related to change interpretation.

Hypothesis 2a: The level of trust will contribute to a context that is systematically positively related to employees’ attractive interpretations of change and negatively related to interpretations of change as non-engaging.

Hypothesis 2b: The development capacity of employees will contribute to a context that is systematically positively related to employees’ interpretation of change as attractive and negatively related to their interpretation as non-engaging.

8.2.1.3. Communication

Chapter Seven (Section 7.3.5) has argued that the communication and information flow patterns of the organisation constitute a fourth significant element of the internal context that can facilitate or inhibit employees’ favourable interpretations of change and therefore an organisation’s ability to change (Thomas, Shankster, & Mathieu, 1994). Communication patterns and openness is a concept rooted in earlier work that has
demonstrated that characteristics of the internal organisational context, such as degree of participation, interaction, and formalisation, facilitate or impede how employees use information in the interpretative process (Daft & Lengel, 1986; Duncan, 1973; Thomas & McDaniel, 1990).

The ability to openly concern and share ideas and information will probably result in the crucial understanding of, and commitment to, change. The greater the ability to share information, the more raw material employees have for constructing their interpretations (Knight & McDaniel, 1979). In the case of change, unless there is a perceived need for change within the organisation, resulting from communicating for example current misfits between future requirements and the current state of the organisation, there is no chance that change will be interpreted favourably (Klimecki & Lassleben, 1998). More specifically, the more complete information employees have about the proposed change and about presumed cause and effect relationships related to the change (Thompson, 1967), the greater the likelihood they will perceive change as feasible, legitimate and controllable (Eisenhardt, 1989), and therefore as attractive. Moreover, from an information-processing perspective, employees who use much information are more likely to emphasise the positive aspects of a change instance (Thomas & McDaniel, 1990). Not only would they feel able to cope with ambiguity (Eisenhardt & Bourgeois, 1988) and uncertainty (Milliken, 1990), but also over time, they would limit ambiguity through the communication patterns and structures that evolve, through teams and information systems (Daft & Lengel, 1986).

The above arguments suggest the following hypothesis concerning the relationship between communication patterns and change interpretation:

Hypothesis 2c: The communication patterns of the organisation will contribute to a context that is systematically positively related to employees' interpretation of change as attractive and negatively related to their interpretation of change as non-engaging.

8.2.2. Organisational Perceptions and Interpretation

The analysis so far has revealed that employees' perceptions of organisational identity and image (attractive present/future) are critical constructs for understanding the sensemaking process of organisational change. Both constructs emerged clearly from the analysis of employees' accounts in the university case study (Chapters Five and Six) and tested in
Study Two (Chapter Seven). It can be argued therefore that employees’ perceptions of organisational identity and image serve as perceptual schemas which enable them to traverse and orient themselves within their experiential terrain (Weick, 1979) thereby guiding interpretations of the past and present and expectations for the future. As Neisser (1976) and Weick (1979) observed, identity and image schemas guide the search for, acquisition of, and processing of information as well as subsequent behaviour in response to that information. Summarising research in the area, Dutton and Dukerich (1991) identified seven functions of identity and image schemas:

- They provide a structure against which experience is mapped
- They direct information encoding and retrieval from memory
- They affect information processing efficiency and speed
- They guide the filling of gaps from the information available
- They provide templates for problem solving
- They facilitate the evaluation of experience
- They facilitate anticipators of the future, goal setting, planning, and goal execution.

Perceived organisational identity, or what employees perceive to be the organisation’s central, enduring, and distinctive character (Albert & Whetten, 1985), filters and moulds employees’ interpretation of a proposed change. Employees also interpret changes according to the effect they are perceived to have on the organisational image, because others outside the organisation are thought to use these changes to make character judgements about the organisation (Alvesson, 1990) and, by implication, also its employees (Dutton & Dukerich, 1991; Elsbach & Glynn, 1996). Employees use the organisation’s construed external image (i.e. the way they believe others see the organisation) to gauge how outsiders are judging them. Deterioration of an organisation’s image is an important trigger to action as employees’ sense of self is tied in part to that image. Thus, employees are motivated to interpret change in favourable terms when it promises to enhance their organisation’s future image (Ashforth & Mael, 1989; Cheney, 1983). At the same time, (as it was argued in Chapter Three, Section 3.2.7) organisational identity and image limit and direct interpretations of change. These interpretations in turn may gradually modify perceptions of the organisation’s future identity or make certain features of organisational identity and image more or less salient.
The above arguments, in conjunction with the analytical discussion in Sections 3.2.7 and 7.3, lead to the further investigation of the following hypotheses which further explore the vigour and transferability of hypotheses 1 and 3 addressed in Study Two:

**Hypothesis 3:** Employees' perceptions of the organisational identity and image are differentially associated with their interpretation of change.

- **Hypothesis 3a:** Employees' perceptions of an attractive present identity and image are positively correlated with the interpretation of change as non-engaging.
- **Hypothesis 3b:** Employees' perceptions of an attractive future identity and image are positively correlated with the interpretation of change as attractive.

Furthermore, the need to keep the consistency among the sensemaking models and lead to their refinement necessitates the formulation of hypothesis 4 concerning the impact of individual factors on the interpretation of change:

**Hypothesis 4:** Employees' hierarchical level and tenure will contribute to a context that is systematically related to employees' interpretation of change.

- **Hypothesis 4a:** Employees' hierarchical level will be positively related to their interpretation of change as attractive and negatively related to their interpretation of change as non-engaging.
- **Hypothesis 4b:** Employees' tenure will be positively related to their interpretation of change as non-engaging and negatively related to their interpretation of change as attractive.

### 8.2.3. Direct and Indirect Effects

Research on the internal organisational context (Harris, 1994; Hatch & Schultz, 1997) suggests that the distinct elements of the internal context affect the salience and activation (ready for use) of specific organisational schemas (i.e. attractive present or future organisational identity schemas) more than others. At the most basic level, the interpretation of organisational stimuli (e.g., concepts, events, people, groups and especially change) is guided by the schemas specific to those stimuli. The appropriate schema is activated because the key aspects of the stimulus match a schema's main attributes. The schema's activation is guided by the elements of the context that guide sensemaking (e.g., the perception of an organisational learning context that focuses on the creative and constructive use of new and different ways of being has key elements which
match most employees' future organisational schemas and therefore that schema is activated). However, many elements of the internal context have many possible meanings and may have features, which match different schemas (Argyris, 1990). For example, depending upon the degree of information an employee receives and his/her degree of participation in decision making, different schemas may be salient and a given change could be perceived as either a threat or an opportunity (Dutton & Jackson, 1987). In such circumstances, schemas, which are salient, are more likely to be cued for sensemaking use. Schema salience and activation is determined in three main contextual ways.

First, given that schemas can be nested in or cross-referenced with other schemas (Taylor & Crocker, 1981), schemas currently activated can increase the likelihood that others will be salient or activated (Markus & Zazouc, 1985). For example, employees' perceptions of the learning mode toward change would direct activation of schemas for the way change should be interpreted. This is particularly important for understanding the internal sensemaking context. For example, an employee's organisational schema is likely to make salient other schemas seen as being of central concern to the organisation. In fact, one of the main ways context is reflected in employees' act of sensemaking as it has already been argued (Chapter Seven, Section 7.3.5) may be the pattern of schema salience across employees: to what do they attend and toward what are their interpretations biased?

Second, social information, particularly labels offered by others (i.e. management), has a profound impact on employees' schema activation (Dutton & Jackson, 1987; Salancik & Pfeffer, 1978). In this sense, verbal artefacts, such as information and symbols to which employees are exposed may encourage schema salience (e.g., open communication about the feasibility and legitimacy of a change may activate schemas about the attractiveness of the future identity of the organisation).

Third, employees' motives and goals serve to make certain schemas more salient than others (Fiske & Taylor, 1984). These motives and goals are captured in employees' organisational schemas and shaped by the reinforcement contingencies summarised and influenced by the internal context of the organisation. Several writers have recognised that reinforcement contingencies are an important artefact of an organisational internal context (e.g., Ulrich, 1984). Such contingencies hold sway over sensemaking because they shape schema salience. For example, an employee encouraged to stick to established routines and methods is more likely to be attuned to issues relevant to the desired present
organisational identity and image. The above discussion therefore leads to the formulation of the following hypothesis:

**Hypothesis 5**: Perceptions of image and identity will mediate the relations between the sensemaking context and change interpretation.

8.2.4. **Identity Gap, Image Gap and Change Interpretation**

For employees, some changes are routine and expected, and they can easily classify them. The changes fit existing categories and, once classified, elicit a well-learned response (Starbuck & Milliken, 1988; Weick, 1988). The well-learned responses are types of organisational 'recipes' or patterns of routinised behaviours that are easily available and rewarded in an organisation (Weick, 1979). Other changes are not as easily interpreted or processed, however. Changes may be problematic because they are non-traditional and transformational: they have not been encountered in the past and thus do not easily fit well-used categorisation schemas.

Employees and organisations that are open to transformational change, shape and reshape identity through the ongoing construction/reconstruction of the organisation. This is particularly important in times of discontinuity, when it is important to explore the identity gap (i.e. the gap between present identity (what is) and future identity (what will be; Ashforth & Mael, 1996) – if employees and the organisation are to learn other ways of being in the world. Identity gap has been shown to be an essential variable for change models and is strongly related to change interpretation (Studies One and Two). Study Two revealed that the notion of identity gap is especially important when it denotes the level of discrepancy between perceptions of a present identity and an attractive future identity and its relationship with the interpretation of change. It is for this kind of discrepancy that an inverted U-shaped relationship was found (Chapter Seven) between identity gap and change interpretation. When employees perceived the present organisational identity as more attractive than the future, the level of discrepancy was positively correlated with their interpretation of change as non-engaging and negatively correlated with their interpretation as attractive. Contrary, thus to the structural inertia theory (Hannan & Freeman, 1984) which argues for a positively linear relationship between change in core organisational features and the probability of realising the change and survive, for the notion of identity gap it is discussed here, an inverted U-shaped relationship between identity gap and interpretation of change is assumed. This assumption leads to the
following hypothesis which further explores the vigour of hypothesis 2, formulated in the previous case study (Chapter Seven), and the transferability of the findings to the current sample:

*Hypothesis 6:* There is an inverted U-shaped relationship between the perceived identity gap (the discrepancy between present and desired future identity) and change interpretation.

*Hypothesis 6a:* High and very low levels of identity gap will be related to a non-engaging interpretation.

*Hypothesis 6b:* Medium levels of identity gap will be related to an attractive interpretation of change.

Similar evidence and reasoning also supported by the findings presented in Chapter Seven lead to a parallel hypothesis concerning the relationships between image gap and the interpretation of change. The image gap is again operationalised as the perceived discrepancy between the present identity and the desired future image (Balmer & Dinnie, 1999; Gioia & Thomas, 1996).

*Hypothesis 7:* There is an inverted U-shaped relationship between image gap (discrepancy between present identity and desired future image) and change interpretation.

*Hypothesis 7a:* High and very low levels of image gap will be related to a non-engaging interpretation.

*Hypothesis 7b:* Medium levels of image gap will be related to an attractive interpretation of change.

### 8.2.5. Role of Content

Interpreting an organisational change instance is a function not only of the contexts (individual and organisational) in which knowledge of that instance is manifested, but also of the content of the interpretation category itself (Cowan, 1986; Lyles, 1981). Although employee characteristics and organisational processes (i.e., OI and image) all assist employees' general interpretations of change (Schneider & De Meyer, 1991), researchers should also consider the specific characteristics and content of the interpretation categories themselves to fully understand employees' sensemaking of change (e.g., Pounds, 1969). Some work has examined the role of the relationship between context and content of interpretations (Walsh, 1988) in predicting interpretative outcomes (Dearborn & Simon,
1958), but it has been mostly limited to linking individual characteristics and change interpretation, linking for example functional background and type of change (Walsh, 1988). What remains to be examined is how the relationships among different levels of analysis (i.e. individual and group) discussed in the present work and the different interpretation categories attributed to change are linked together (e.g., Cowan, 1990).

Specifically, although some preliminary findings support such a relationship (e.g., Walsh, 1988), in the absence of a theory or theories that would allow the prediction of the specific nature of the relationship between patterns of context and content, Proposition 7 is offered:

**Proposition 1:** When the individual and group contexts are combined with interpretation content, configurations will develop that will be predictive of interpretation outcomes.

Figure 28 presents a brief summary of the proposed role of the sensemaking context and of perceived organisational identity and image in employees' interpretations of change.

**Figure 28. Refined Model of Change Interpretation**
8.3. STUDY 3 – EXPLORING THE RELATIONSHIP BETWEEN SENSEMAKING CONTEXT, ORGANISATIONAL PERCEPTIONS AND CHANGE INTERPRETATION

8.3.1. Introduction

The review in Section 8.2, above, illustrated the potential breadth and depth of an organisation’s sensemaking context that affect employees’ interpretations of change efforts introduced into their organisation. Many recently introduced organisational changes, such as strategic or corporate identity changes, TQM changes, and restructuring programmes, have failed to reposition and actually change organisations (Balmer & Dinnie, 1999) and also have failed to change the way employees see the organisation (Beer & Eisenstat, 1996). However, it appears from much of the organisational change literature that certain dimensions of the internal organisational context can influence employees’ interpretation of change and guide it to the desirable direction (Hatch & Schultz, 1997; Barr, 1998). However, research in this area focuses only on the interpretation patterns of top managers, and not employees at all levels, and it mainly relates interpretation to perceptions of strategy as the main dimension of the internal organisational context (Dutton & Jackson, 1987; Dutton & Duncan, 1987; Gioia & Thomas, 1996; Jackson & Dutton, 1988). The importance of the impact of employees’ perceptions (and not only top management’s) of the internal organisational context on their interpretations of change has been borne out to some degree in research by Gioia and his colleagues (1994) and Fox-Wolfgang, Boal and Hunt (1998). They have suggested that employees’ perceptions of an open and communicative organisational climate (which involves them in decision making and invests in them via progressive HR policies) can have a dramatic effect on the way they interpret change initiatives.

Studies One and Two illustrate the potential utility of assessing employees’ perceptions of the extent to which the existing communication structures support the introduced change, using an existing measure of communication climate, which focuses on communication-specific elements of the organisational environment. The relationships established between these organisational perceptions and employees’ patterns of change interpretation suggest that perceptions of specific dimensions of the internal organisational context can have a significant impact on employees’ interpretation of change as well as the salience of specific organisational schemas that facilitate and guide interpretation. However, in order to widen the scope of these findings, the content of the instruments used to assess these
Chapter Eight - Sensemaking Context and Change Interpretation

factors must be broadened to incorporate most of the relevant dimensions of the internal context that may affect and guide interpretation. The tool underpinning Study Two's findings regarding the sensemaking context was adjudged to be narrow in scope, as its main goal was to measure the effect of the communication patterns in place on the sensemaking processes, exactly as it was revealed from the qualitative, explorative Case Study One. Thus, while the tool was applicable to the organisational sample used in Study Two (based on the qualitative findings that indicated the communication pattern as an important variable of the sensemaking context) after the literature review of Section 8.2, it was felt to be limited in its scope of depicting most of the important dimensions of the sensemaking context that affect interpretation of change. It became clear that another instrument depicting most of the sensemaking dimensions would be required where the common and unique influential contextual features of change interpretation could be ascertained.

A plethora of research studies and instruments have been published purporting to quantify the internal organisational context. The majority of this work treats culture and climate as internal organisational contexts (e.g., Hatch & Schultz, 1997), as systems of meaning and sensemaking that define an organisation to its various constituents. In other words, the majority of this work is based on the notion of organisational meaning (Rentsch, 1990), i.e. the concept that employees’ attitudes and behaviour are based on their interpretations of, or the meaning they attach to, organisational situations and events. Organisational culture is conceptualised here as an internal and symbolic organisational context within which interpretations of organisational identity and change are formed and intentions to influence organisational image are formulated. In this sense, it was considered essential to study the relevant instruments, which try to quantify organisational culture.

The theoretical position adopted here contends that employees perceive and make sense of organisational change in psychologically meaningful terms (James, Joyce & Slocum, 1988). These perceptions can be captured by asking employees to rate non-evaluative statements relating to their organisation as more or less descriptive of the organisation. Gioia and his colleagues (1994) have shown that a similar approach could be used to assess the impact of employees’ perceptions of their organisation’s contextual features (i.e. perceptions of values and practices) on change interpretation. This led to a need within the current case study to examine the dimensions of the internal context explored by different studies, as well as to examine the properties of available culture and climate.
instruments and their conceptual proximity to employees' interpretation of organisational change, in order to include them in an instrument looking at perceived sensemaking context.

A brief review of the relevant psychometric tools, including the Psychological Climate Inventory (James & Sells, 1981); the Organisational Climate Measure (Pritchard & Karasick, 1973); the Organisational Climate Questionnaire (Solomon, 1986); the Organisational Culture Profile (O'Reilly, Chatman & Caldwell, 1991); the Corporate Culture Survey (Glaser, 1983); the Culture Gap Survey (Kilmann & Saxton, 1983); and other scales authored by Thornhill, Saunders, and Stead (1997), Mullins and Cummings (1999), Cornell (1996), and Simons (1999), revealed some conceptual confusion regarding the notions of climate and culture, since many of the above instruments tapped into similar areas of organisational experience, using similar techniques, and even very similar items, regardless of their seemingly arbitrary labelling as assessments of 'climate' or 'culture'. This aside, the review pointed to some 'core' dimensions of the internal organisational context, which very closely matched the sensemaking context studies discussed in Section 8.2, above. It was felt that these dimensions would need to be included in any useful measure of employees' sensemaking context. Identified factors included:

- Risk taking;
- Climate of trust;
- Openness of communication;
- Opportunities for employee development;
- Sense of involvement and interaction in decision making;
- Rewards and benefits
- Climate of innovation

However, none of the psychometric instruments listed above was able to comprehensively cover all of these issues. It was felt that in order to achieve adequate content validity in each of the above-listed areas, a new instrument would need to be developed, adapting some items from existing scales and developing new items where necessary.

Further to this review of climate/culture literature, the review presented in Section 8.2, above, has revealed the potential importance of the organisational learning climate.
Boydell and Leary (1996) in noting the importance of this element and its influence on employees' interpretation and acceptance of change developed the Organisational Learning Modes Questionnaire. Further, Brown and Starkey (2000) suggested that creating a progressive and integrating learning environment (i.e. one that encourages the development of different ideas and use them in a creative and constructive way) was a crucial predeterminant of employees perceiving a change instance as attractive, largely due to the organisation's ability to innovate and learn. In order to address this element of the internal organisational context, it was felt that items covering the area of organisational learning should be included in the scale.

Overall, then, existing psychometric instruments similar in format to those presented in Section 8.3.1, were not regarded as comprehensive enough to be used directly as an indicator of perceived sensemaking context. The first aim of the present study was to develop a new measure of the sensemaking context, which could adequately incorporate the breadth and depth of the dimensions that could affect the interpretation of change based on previous research in both the organisational sensemaking research and culture/climate fields. Having developed the sensemaking context scale, the main aim of the study became to explore the relationship between the various dimensions of the sensemaking context, employees' organisational perceptions and the interpretation of change as attractive and as non-engaging. The luxury goods sample was selected to establish these relationships, since it presented the greatest item: factor ratio and contained the largest number of employees of the three samples.

8.3.2. The Organisation in Context

The company involved in this research (which will be referred to as Luxcom) was a large, mature, luxury goods organisation with an established strategic process. Luxcom had essentially three elements to its business model: namely wholesale, distribution and retail operations for two different types of products: tobacco related luxury products and major lines of mainly menswear collections and luxury products independent from the tobacco products. Working within and between these elements are a number of business units. Luxcom had a major market share in its sector for many years, being among the top leading English tobacco and luxury brands. The company was mostly known and associated with its tobacco interests and luxury goods products associated with these interests and it was experiencing tremendous success.
Due to its success in the tobacco products industry it had to reposition itself as a luxury goods company and to unleash its name from any associations with the tobacco industry after selling all its tobacco interests to Rothmans. The case study took place at the distinct company that focused only on the luxury goods products after having sold all its tobacco interests and royalties. The company employs around 3500 employees in different locations throughout the UK. In order to reinforce its identity as a distinct luxury goods company and reposition itself into the English luxury goods industry, Luxcom initiated a tremendous corporate identity change and external communications programme with the vision to become the leading British luxury brand. At the same time, being an established traditional company for years, “the company was becoming too bureaucratic, too slow and too ponderous to meet the competitive threats that had done so much damage to other retail companies” (A, General Manager, Corporate Strategy). The executives saw that the company’s level of ability to be responsive to changing customer needs “could prove fatal in the global competitive crisis” (A, General Manager, Corporate Strategy).

To transform the company, a radical organisational change effort was introduced largely advertised in the company’s annual reports and newsletters:

- functional ‘turfs’ were staffed with cross-functional teams
- key strategic planning and decision making, once exclusively the domain of CEO and his assistants, was pushed down
- employees originally hired for their specific qualities were expected to develop their interpersonal customer awareness, customer service, competitor and industry awareness and managerial skills if they wanted to move up in the company; especially those employees who were originally hired for their competence to deliver high quality design of products
- systems of continuous improvement, quality of service, self-assessment and customer-service were implemented
- a more proactive attitude in relation to its competitors
- change of processes in order to implement those changes; changes in the way they design and produce products and services; changes in sequencing of activities; new performance-related-pay systems were established with new procedures for evaluating performance.
To achieve so far, the company relied heavily on its traditional ‘command-and-control’ culture which emphasised top-down decision making and employee compliance with management directives. Although this culture had served the company well in the past, it quickly became a liability for the implementation of change. The directive culture underutilised employees’ knowledge and talents; it failed to apply their competence to making significant improvements in quality and customer-service; it failed to make employees feel that there is a need for change because of their non-participative structures and limited, filtered communication. It was felt then that a more participative culture that promoted employee involvement in problem solving and change would enable the company to respond quickly to rapidly changing conditions.

8.3.3. Method

8.3.3.1. Sample

The sample was taken from the luxury goods company, comprising staff from all jobs, departments, grades and levels of education across the organisation. Surveys were distributed to 1074 employees and a total of 591 returned completed surveys, yielding a response rate of 55%. Nineteen participants were dropped from the data file due to missing data on a number of items. This resulted in a final sample of 576. Ages ranged from 19 to 55+, with a mean age between 35-39 years and 37% were women. 100% were in full-time employment and their organisational tenure ranged from 0-23 years, with a mean of 8.2 years and standard deviation of 5.5 years. 2.3% described themselves as top managers, 4.2% as section managers, 30.6% as managers, 10.8% as team leaders and 52.1% as non-supervisory employees. Finally, 88.4% described their employment contract as ‘permanent’, whilst 11.6% described it as ‘temporary’.

8.3.3.2. Measures

All respondents completed a self-administered questionnaire, similar to that administered in Study Two but tailored to the specific character of the present company. The first section of the questionnaire comprised a biographical section. A number of single questions were used to gather information about employees’ gender, age, departmental membership, hierarchical level, type of contract, and organisational tenure. Hierarchical level had five categories (1 = non-supervisory, 2 = team leaders, 3 = managers, 4 = section managers, 5 = top managers), while type of contract had four (1 = permanent, 2 = temporary, 3 = fixed-term, 4 = part-time). Organisational tenure was the number of years a
respondent had been in the current organisation. A number of authors have argued that members’ characteristics, such as observable background attributes including organisational tenure, hierarchical level, type of contractual orientation, and age, as described above, affect their perceptions, and therefore, change interpretation (Hitt & Tyler, 1991; Chaston, Badger & Sadler-Smith, 1999; Tierney, 1999).

The second section of the questionnaire comprised 48 items pertaining to perceived sensemaking context, quantified in terms of a number of dimensions relevant to employees, including:

- Risk taking;
- Climate of trust;
- Openness of communication;
- Opportunities for employee development;
- Climate of organisational learning;
- Sense of involvement and interaction in decision making;
- Rewards and benefits
- Climate of innovation

Items included in this section appear in Appendix VIII, along with their expected apriori factorial membership. More specifically, organisational learning was measured using a short (21 item) form of the organisational learning modes questionnaire (Boydell & Leary, 1996) (items were rejected or accepted on the basis of redundancy and relevance to the firm). The questionnaire has achieved good reliability indices ranging from .79 to .85 (e.g., Boydell & Leary, 1994; Boydell & Leary, 1996) and has been validated in a number of organisational contexts. It has also been able to predict employee responses and attitudes towards change (Barnett & Pratt, 2000; Leonard, 1997). Items were scored on a 7-point Likert-type response scale anchored by ‘strongly disagree’ to ‘strongly agree’ and categorise as follows:

1. *implementing*: seven items (e.g., “this is a company where people stick to established routines and methods”) (a full list of all the items included in the survey are presented in Appendix VIII);
2. *improving:* seven items (e.g., “This is a company where people try something new even if the outcomes are uncertain”);

3. *integrating:* seven items (e.g., “This is a company where people encourage differences of opinion and use them in a creative and constructive way”) (Boydell & Leary, 1996).

The following two sections comprised the measures of the attractiveness of present/future organisational identity and image, as operationalised in Study Two, measuring components of identity developed on the basis of an extended thematic analysis of the official company documents. The present instrument of identity was also comprised of the same 32 descriptors of the focal organisation as in Study Two. The two companies used the same descriptive characteristics, the interpretative context, however, was quite different as well as the type of identity dimensions that were perceived as attractive and desirable.

Again, the two variations of the identity concept were assessed, by using the ‘present’ and ‘future’ version of the questionnaire. The present identity scale assessed (using a 7-point Likert scale; 1 = not at all attractive, 7 = extremely attractive) employees’ perceived attractiveness (Dutton et al., 1994) of the present identity of their employing organisation. The future identity scale assessed (again using a 7-point Likert scale; 1 = not at all attractive, 7 = extremely attractive) how attractive each statement was perceived to be as a future characteristic of their organisation as a result of the change (how the organisation would like to be). A third version of the identity scale asked employees how they perceived other peer organisations would rate their organisation (again using the above 7-point Likert scale; 1 = not at all attractive, 7 = extremely attractive) after the change along the 32 identity dimensions. This scale was used for the assessment of the image gap (see below). In each scale, the items were averaged to calculate a score that indicated the degree of employee attractiveness to the present or future identity of their organisation. High scores indicated an attractive sense of identity (present or future) by employees.

The attractiveness of present and future image were assessed using 9-item scales developed especially for this study following again the criteria proposed by Gioia and Thomas (1996). The dimensions were considered by the top management interviewed as comprising significant aspects of the company’s image and were also informed by the relevant literature. On seven-point Likert scales, employees were asked how they perceived other peer organisations would currently rate their organisation along 9
dimensions according to the interviews with senior managers (present image). The attractiveness of future image was assessed by first asking employees what peer organisations (up to three) they would want their own company to emulate after the change effort, because the emulation of 'peer' organisations with desired attributes is thought to be the basis for an attractive future image (Gioia & Thomas, 1996). Next, employees were asked to indicate (using the same 9 items) the extent to which they would be able to emulate the organisations they identified earlier, as a result of the change (i.e. how employees wanted their organisation to be seen in the future).

Identity and image gap was assessed using the two versions of the questionnaire, 'present' and 'future', for the two types of organisational perceptions, identity and image. The aim of this study regarding the identity and image gap is to explore whether there is an inverted-U shaped relationship that links the wideness of the perceived discrepancy between present and desired future identity and the interpretation of change, as well as between present identity and desired future image and interpretation. For this reason, identity and image gap were operationalised here as the negative sum of the differences between responses to corresponding items on the two questionnaires (denoting the attractiveness of future identity/image over perceptions of present identity).

The fifth and final section of the questionnaire contained the Change Interpretation scale, developed as detailed in Study Two (Chapter Seven). The interpretation of change was measured with the 32-item scale developed in Study Two. The items included were based on two dimensions of change interpretation (attractive and non-engaging) including the following dimensions: devalue of the organisation's identity, illegitimacy, functionality and enhancement of the identity of the organisation. See Appendix IX for a finalised version of this scale, including dimensional membership details. Each item was measured on a 7-point Likert scale ranging from (1) 'strongly disagree' to (7) 'strongly agree'. A high score on the 'attractive' sub-scale means that employees perceive change as attractive, while a high score on the 'non-engaging' means that employees perceive change as non-engaging.

The change interpretation scale has been shown to have acceptable psychometric properties (Study Two). The Cronbach's alpha coefficient was .79. A confirmatory factor analysis (Table 22) was conducted and the two-factor model ('attractive' and 'non-engaging' interpretation) emerged consistent with Study Two's two component
conceptualisation of change interpretation. Table 22 also depicts the sub-scale factor structure obtained for the current sample.

Table 22. Confirmatory factor analysis for change interpretation scale

<table>
<thead>
<tr>
<th>Change Interpret. Item No.</th>
<th>Attractive</th>
<th>Non-Engaging</th>
<th>Enhancement</th>
<th>Functionality</th>
<th>Devalue</th>
<th>Illegitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.547</td>
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Study Two obtained a Cronbach alpha of .86 for the attractive sub-scale, and an alpha coefficient of .81 for the non-engaging sub-scale. In the current sample, all the items loaded on their hypothesised factors with Cronbach alphas of .83 for the ‘attractive’ dimension and .87 for the ‘non-engaging’ dimension. Sub-scale scores were inter-
correlated, however, these were low enough to warrant their use as separate variables in subsequent inferential analysis. The correlations within both the attractive and the non-engaging sub-scales were also medium in the current sample, so both the two whole scales and their sub-scales were used in subsequent analysis. Table 23 summarises Cronbach’s alpha coefficients for all the scales obtained in the current sample. Thus, the internal consistency reliability values obtained for all the scales used in the current study were sufficient to infer their robustness and warrant their inclusion in the study.
### Table 23. Descriptive Statistics and Correlations

| Variables | Means | S.D. | Alpha | Attractive | Non-Engaging | Fd | Fln | Pld | Plm | Comm | Imple | Impro | Integr | Trust | Develop | Hierarch | Tenure | Contract | Age |
|-----------|-------|------|--------|------------|--------------|-----|-----|-----|-----|------|-------|-------|--------|--------|---------|---------|---------|---------|--------|---------|
| Attractive | 5.01  | .79  |       | -21**      | .12*         | .16** | .12* | .11* | .20** | .09   | .11*  | .27**  | .14**  | .09     | .15**   | -.13*   | .04     | .03     |
| Non-Eng | 4.31  | .57  |       | -.21**     | -.13**       | -.25** | .24** | -.22** | .28** | .11*  | -.09  | -.14*  | -.10*  | -.11*   | .13**   | .03     | .07     |
| Fid      | 5.01  | .51  | NA    | .12*       | -.13**       | -.25** | .26** | .07   | .23** | -.09  | .17** | .25**  | .10**  | .11*    | -.11*   | .04     | .06     |
| Fln      | 4.63  | .67  | NA    | .16**      | -.25**       | .25**  | -.25** | .13*  | .16** | -.08  | .14*  | .20**  | .08    | .08     | .11*    | .04     | .06     |
| Pld      | 4.11  | .76  | NA    | -.12*      | .24**        | -.26** | -.25** | -.18** | .24** | -.13* | -.08  | .13    | -.09   | .05     | .11*    | .05     | .08     |
| PIm      | 3.97  | .51  | NA    | -.11*      | .20*         | .07    | -.13*  | .18** | .08   | .16** | -.16** | -.08   | .12*    | .14*    | .08     | .10*    | .03     |
| Comm     | 4.19  | .72  | .79   | .20**      | -.22**       | .23**  | .16** | .14*  | .08   | -.13* | -.18   | .19**  | .13*    | .21**   | .10     | -.13*   | .07     |
| Imple    | 4.36  | .64  | .83   | -.09       | .28**        | -.09   | -.08  | .24** | .16** | .14*  | -.12* | -.16** | .21**  | .16     | .13*    | .11*    | .14*    | .08     |
| Impro    | 4.52  | .67  | .78   | .11*       | .11          | .17**  | .14** | -.13* | -.16** | -.13  | -.12* | -.13   | .14*   | .14*    | .13*    | .09     | .10     | -.09    |
| Integ    | 3.73  | .85  | .87   | .27**      | .09          | .25**  | .20** | -.08  | -.18** | -.21** | .13*  | -.21** | .24**  | .15*    | .16*    | -.10    | -.12*   |
| Trust    | 3.82  | .92  | .84   | .14**      | -.14         | .16**  | .08   | .13*  | .19**  | .16*  | .14*  | .21**  | -.16*  | .18**   | .19**   | -.16**   | .11*    |
| Develop  | 4.03  | .81  | .81   | .09        | .10*         | .17**  | .08   | -.09  | .14*  | .13*  | .13   | .14*  | .16**  | -.13*   | .12*    | -.18**   | .11*    |
| Hierarchy| NA    | NA   | NA    | .13**      | -.11*        | .13**  | .11*  | .05   | .08   | .21** | .11*  | .13*  | .15*   | .18**   | .13*    | .13*     | -.15*   | .14*    |
| Tenure   | NA    | NA   | NA    | .13**      | .13**        | .11*   | .04   | .10*  | .14*  | .09   | .16** | .19**  | .12*   | .13*    | -.19**   | .15**    | .15*    |
| Contract | NA    | NA   | NA    | .04        | .03          | .04    | .05   | .03   | .13*  | .08   | .10   | -.16   | -.18** | -.15*   | .19**   | -.16**   | .14*    | -.15*   | .16**   |
| Age      | NA    | NA   | NA    | .03        | .07          | .06    | .08   | .04   | .07   | .13*  | -.09  | -.12*  | .11*   | .14*    | .15**   | -.16**   | -       |         |
8.3.3.3. Procedure

In order to assess the relationship between the sensemaking context and the interpretation of change as well as the mediation effect of employees’ organisational perceptions and the moderation effects of perceived identity gap a survey instrument containing all three measures was administered to the population of a luxury goods company. However, a new measure assessing the sensemaking context had to be developed. The measure needed to be transferable to different organisational contexts, with robust psychometric properties, and expressed in contemporary language accessible to all organisational levels. The new measure incorporated adapted items and sub-scales from existing measures of the internal organisational context (deriving from both the cultural / climate, organisational sensemaking and organisational change fields), and developing new items where necessary. The instrument was administered to all staff employed by the luxury goods firm (n = 470). In order to establish the scale’s psychometric properties, the following procedural steps were performed:

- Exploratory principal components factor analysis to uncover possible factorial structures;
- Confirmatory maximum likelihood factor analysis to confirm factor structure;
- Assessment of internal consistency of each factorial sub-scale via reliability analysis.

The application of factor analytic techniques with this sample upheld all guidelines suggested by leading psychometricians, as follows:

1. The sample was heterogeneous, taken from a single organisation across jobs, departments and grades;
2. The sample comprised 470 employees, significantly exceeding the 100 minimum suggested by, e.g., Barrett and Kline (1981);
3. The item: subject ratio was 12:1, higher than that suggested by Barrett and Kline (1981), and the conservative criterion suggested by Arrindel and van der Ende (1985).

Having examined the psychometric properties of the sensemaking context scale, the next step would be to explore the relationship between employees’ perceptions of the sensemaking context, organisational perceptions and change interpretation. The aims, thus, of the study at this stage are as follows:
1. To explore the value of the model developed in Study Two and its transferability to different organisational populations;

2. To establish the relationship between the sensemaking context and the other two sets of variables as proposed by the relevant hypotheses;

This also involved the following procedural steps:

- Assess the correlational and regressional relationships between sensemaking context and change interpretation via parametric techniques.

- Test the hypothesised relationships among variables using path analysis (stepwise - regression). Four path models were used, each of the first two utilising one of the identity variables and each of the remaining two utilising one of the image variables (present vs. future) to test the differential relationships of identity and image to interpretation. The path analytical technique allowed identification of the relative magnitudes of the direct and indirect effects of the sensemaking context and identity/image variables on employees’ interpretation of organisational change. In addition, relevant categorical variables including tenure, age, gender, contract-type and hierarchical level were entered into each equation as dummy variables. Stepwise multiple regression procedures used an F entry criterion of .05.

- Test for mediation using the three-regression-equations procedure suggested by Baron and Kenny (1986).


- A differentiated criterion set was employed in combination with canonical correlation analyses in order to test for a configurational relationship between the sensemaking process variables and the interpretation of change categories.

- Finally, multivariate regression analysis was employed to identify the overall relationship between the change interpretation measures and the sensemaking process measures.

8.3.4. Results

Because the initial focus of the study was on the sensemaking context, the results presented first concern the development of the instrument for measuring employees’
perceptions of the context for sensemaking and work back toward the testing of its relationships with the other major informant dimensions (i.e. employee organisational perceptions and change interpretation).

8.3.4.1. Exploring the Factor Structure of the Sensemaking Context Scale

Exploratory principal components factor analysis was undertaken with the 48 items constructed for the sensemaking context measure. The exploratory principal components analysis reported the likelihood of a 6-factor structure (according to Scree and eigenvalues tests), which was tested in confirmatory mode via maximum likelihood factor analysis, with 6 factors (the ML analysis reported 6 factors whether eigenvalues > 1 or 6 factors were specified) obliquely rotated to simple structure. The results are shown in Table 24, below. Please note that factor loadings lower than .3 have been excluded for the sake of clarity.

Table 24. Maximum likelihood 6-factor analysis for sensemaking context scale – first run

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<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
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The solution converged in 12 iterations, explaining 51% of variance in the data: 30.8% for Factor 1 (eigenvalue = 8.92), 5.2% for Factor 2 (eigenvalue = 1.51), 7.5 for Factor 3 (eigenvalue = 2.18), 2.6% for Factor 4 (eigenvalue = .79), 2.5% for Factor 6 (eigenvalue = .71) and 2.4 for Factor 6 (eigenvalue = .69). The chi-square test of fit statistic reached 712.05, df = 271, with an associated probability value of $p < .001$.

Factor 2 for this solution contained items covering several expected a priori dimensions, including 'improving', 'risk-taking' and 'innovation'. Factor 3 included 'integrating' and 'involvement', while Factor 6 covered the dimension of 'employee development'. The 'rewards' and 'risk-taking' dimension reported two items, which failed to load on any factor. The 'involvement', 'personnel development' and 'trust' dimensions reported one item each that loaded significantly on two factors. The 'implementing', 'improving' and 'integrating' dimensions reported one item each, which failed to load on any factor, and 'innovation' was split between two factors and did not load significantly on any factor. All remaining items loaded as expected, save for “In this organisation, innovators are the people who get rewarded”, which loaded alongside perceptions for employee development. These confused / low loading items (REWA1, REWA2, RISK1, RISK4, INTE3, DEV3, TRUS1, IMPL1, IMPRO5, INTEG2) along with the two items comprising the ‘innovation’ dimension (INNO1, INNO4), were all excluded from a repeated maximum likelihood factor analysis, which again attempted to rotate onto 6 factors. Table 25, below, shows the result.
Table 25. Maximum likelihood 6-factor analysis for sensemaking context scale - second run

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<td></td>
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<td>.731</td>
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<td></td>
</tr>
<tr>
<td>INNO3</td>
<td></td>
<td></td>
<td></td>
<td>.659</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The solution converged in 10 iterations, explaining 52.9% of variance in the data: 16.5% for Factor 1 (eigenvalue = 3.79), 39.0% for Factor 2 (eigenvalue = 5.17), 8.6% for Factor 3 (eigenvalue = 1.91), 2.4% for Factor 4 (eigenvalue = .54), 3.0% for Factor 5 (eigenvalue = .69) and 2.8% for Factor 6 (eigenvalue = .64). The chi-square test of fit statistic reached 379.71, df = 148, with an associated probability value of $p < .001$.

This run again saw the expected dimensions ‘improving’, ‘risk-taking’, and ‘innovation’ loading together, the ‘integrating’ and ‘involvement’ dimensions loading together, as well as the ‘employee development’ and the item remaining from the ‘reward’ dimension. For
Chapter Eight - Sensemaking Context and Change Interpretation

dthis solution the ‘trust’, ‘implementing’ and ‘communication’ items loaded independently, as expected (Appendix IX).

Response rates by hierarchical level within the organisation were calculated for each item shown in Table 25, above, in order to assess the comprehensibility of each item. Where response rates fell below 85% for any group, it is judged that the comprehensibility of the item is suspect. In the present sample, response rate for all items tended to increase with hierarchical operational level and six items reported sub-90% response rates, with two reporting 86% response rate which were not excluded from further analysis.

Internal consistency reliability analyses were undertaken for each of the factors suggested by Table 25, above, using Cronbach’s alpha criterion. The analyses show that for all obtained dimensions with this sample, internal consistency was sufficient to infer robustness and reliability. The results are presented in Table 26.

Table 26. Internal consistency reliability analysis for sensemaking context scale

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
<th>Alpha Value and Sample Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing</td>
<td>IMPL2, IMPL3, IMPL4, IMPL5, IMPL6, IMPL7</td>
<td>A = .859, N = 198</td>
</tr>
<tr>
<td>Improving / Risk-taking / Innovation</td>
<td>IMPRO1, IMPRO2, IMPRO3, IMPRO4, IMPRO6, IMPRO7, INNO2, INNO3, RISK2, RISK3</td>
<td>A = .894, N = 202</td>
</tr>
<tr>
<td>Integrating / Involvement</td>
<td>INTEG1, INTEG3, INTEG4, INTEG5, INTEG6, INTEG7, INTE1, INTE2</td>
<td>A = .717, N = 202</td>
</tr>
<tr>
<td>Trust</td>
<td>TRUS2, TRUS3, TRUS4</td>
<td>A = .861, N = 202</td>
</tr>
<tr>
<td>Communication</td>
<td>COMM1, COMM2, COMM3, COMM4, COMM5</td>
<td>A = .921, N = 201</td>
</tr>
<tr>
<td>Employee Development / Rewards</td>
<td>DEV1, DEV2, DEV4, REWA3</td>
<td>A = .749, N = 198</td>
</tr>
</tbody>
</table>

8.3.4.2. Path Analyses (stepwise – regression)

The hypothesised relationships among variables were tested using path analysis (stepwise regression). This analytical technique allowed the identification of the relative magnitudes of the direct and indirect effects of the sensemaking context and organisational perceptions on change interpretation. The path analyses required the analysis of six regression equations:

\[
\text{Attractive} = a + \text{individual variables} + b1 \text{ present identity} + b2 \text{ present image} + b3 \text{ future identity} + b4 \text{ future image} + b5 \text{ implementing} + b6
\]

383
improving + b7 integrating + b8 trust + b9 communication + b10 employee development + e  

(1)

Non-Engaging = a + individual variables + b1 present identity + b2 present image + b3 future identity + b4 future image + b5 implementing + b6 improving + b7 integrating + b8 trust + b9 communication + b10 employee development + e  

(2)

Present Identity = a + individual variables + b1 implementing + b2 improving + b3 integrating + b4 trust + b5 communication + b6 employee development + e  

(3)

Present Image = a + individual variables + b1 implementing + b2 improving + b3 integrating + b4 trust + b5 communication + b6 employee development + e  

(4)

Future Identity = a + individual variables + b1 implementing + b2 improving + b3 integrating + b4 trust + b5 communication + b6 employee development + e  

(5)

Future Image = a + individual variables + b1 implementing + b2 improving + b3 integrating + b4 trust + b5 communication + b6 employee development + e  

(6)

The beta coefficients obtained from these regression equations represent the path coefficients of the model and the direct effects of the antecedents on the relevant dependent variable. Table 27 presents results of this aspect of the analysis. Collinearity diagnostics revealed no multicollinearity between study variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>t</th>
<th>R²</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present Identity</td>
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<td>.28</td>
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<tr>
<td>Present Image</td>
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<td>-.66</td>
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<td></td>
</tr>
<tr>
<td>Future Identity</td>
<td>.14</td>
<td>1.78*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Image</td>
<td>.17</td>
<td>2.11*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementing</td>
<td>-.06</td>
<td>-.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving</td>
<td>.10</td>
<td>1.11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrating</td>
<td>.29</td>
<td>3.68**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>.13</td>
<td>1.62*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>.34</td>
<td>4.07***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empl. Development</td>
<td>.06</td>
<td>.81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>-.07</td>
<td>-.98</td>
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<td></td>
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</table>

Table 27. Path analysis and regression results
### Hierarchical level

<table>
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<tr>
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<th>2.31*</th>
</tr>
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<td>0.08</td>
</tr>
<tr>
<td>Age</td>
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<td>0.67</td>
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### Non-Engaging

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<th>14.32***</th>
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</thead>
<tbody>
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<td>0.31</td>
<td>4.01***</td>
</tr>
<tr>
<td>Present Image</td>
<td>0.21</td>
<td>3.01**</td>
</tr>
<tr>
<td>Future Identity</td>
<td>-0.08</td>
<td>-1.22</td>
</tr>
<tr>
<td>Future Image</td>
<td>-0.19</td>
<td>-1.91*</td>
</tr>
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<td>Implementing</td>
<td>0.34</td>
<td>4.24***</td>
</tr>
<tr>
<td>Improving</td>
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<td>-1.17</td>
</tr>
<tr>
<td>Integrating</td>
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<td>-0.67</td>
</tr>
<tr>
<td>Trust</td>
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<td>-2.02*</td>
</tr>
<tr>
<td>Communication</td>
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<td>-2.25*</td>
</tr>
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<td>-0.61</td>
</tr>
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<td>Tenure</td>
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<td>2.29*</td>
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<td>0.79</td>
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<td>0.45</td>
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<tr>
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<td>0.11</td>
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### Present Identity

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<tbody>
<tr>
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<td>2.35**</td>
</tr>
<tr>
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<td>-1.91*</td>
</tr>
<tr>
<td>Integrating</td>
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<td>-1.03</td>
</tr>
<tr>
<td>Trust</td>
<td>0.11</td>
<td>1.32*</td>
</tr>
<tr>
<td>Communication</td>
<td>-0.14</td>
<td>-1.62*</td>
</tr>
<tr>
<td>Empl. Development</td>
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<td>-1.11</td>
</tr>
<tr>
<td>Tenure</td>
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<td>2.21*</td>
</tr>
<tr>
<td>Hierarchical level</td>
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<td>0.47</td>
</tr>
<tr>
<td>Contract</td>
<td>0.01</td>
<td>0.30</td>
</tr>
<tr>
<td>Age</td>
<td>0.03</td>
<td>0.62</td>
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</table>

### Present Image

<table>
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<tr>
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<th>2.01**</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.19</td>
<td>2.35*</td>
</tr>
<tr>
<td>Improving</td>
<td>-0.18</td>
<td>-1.98*</td>
</tr>
<tr>
<td>Integrating</td>
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<td>-0.67</td>
</tr>
<tr>
<td>Trust</td>
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<td>1.89*</td>
</tr>
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<td>Communication</td>
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<td>-2.21*</td>
</tr>
<tr>
<td>Empl. Development</td>
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<td>-1.49</td>
</tr>
<tr>
<td>Tenure</td>
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<td>1.96*</td>
</tr>
<tr>
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<td>0.44</td>
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<td>0.35</td>
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<td>Age</td>
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<td>0.31</td>
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### Future Identity

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<th>8.33***</th>
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<tbody>
<tr>
<td>Implementing</td>
<td>0.04</td>
<td>-0.71</td>
</tr>
<tr>
<td>Improving</td>
<td>0.19</td>
<td>2.63**</td>
</tr>
<tr>
<td>Integrating</td>
<td>0.26</td>
<td>3.24***</td>
</tr>
<tr>
<td>Trust</td>
<td>0.14</td>
<td>1.81*</td>
</tr>
<tr>
<td>Communication</td>
<td>0.20</td>
<td>2.96**</td>
</tr>
<tr>
<td>Empl. Development</td>
<td>0.15</td>
<td>2.39**</td>
</tr>
<tr>
<td>Tenure</td>
<td>0.04</td>
<td>-0.53</td>
</tr>
<tr>
<td>Hierarchical level</td>
<td>0.05</td>
<td>0.76</td>
</tr>
<tr>
<td>Contract</td>
<td>0.00</td>
<td>0.05</td>
</tr>
<tr>
<td>Age</td>
<td>0.02</td>
<td>0.32</td>
</tr>
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</table>

### Future Image

<table>
<thead>
<tr>
<th></th>
<th>0.13</th>
<th>5.61***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing</td>
<td>0.04</td>
<td>-0.49</td>
</tr>
</tbody>
</table>
The multiple regression results show that there was a significant, positive relationship between the learning mode of integrating and employees’ interpretation of change as attractive ($\beta = .29$, $t = 3.68$, $p < .001$) and a significant, positive relationship between implementing and change interpretation as non-engaging ($\beta = .34$, $t = 4.24$, $p < .001$). There were no significant relationships between the other two modes of organisational learning, improving ($\beta = .10$, $t = 1.11$, ns) and implementing ($\beta = -.06$, $t = -.79$, ns) and employees’ interpretation of change as attractive. Moreover, the results showed no significant relationship between the remaining two modes of learning and interpretations of change as non-engaging. Thus, the multiple regression results support hypotheses 1a and 1c but not hypothesis 1b. There was support for the hypothesised relationship between the trust and communication dimensions of the sensemaking context and the interpretation of change.

In testing hypothesis 2a, a direct link was found between communication patterns ($\beta = .34$, $t = 4.07$, $p < .001$) and the interpretation of change as attractive, as well as the interpretation of change as non-engaging ($\beta = -.19$, $t = -2.25$, $p < .05$). The negative relationship between communication patterns and non-engaging interpretation indicates that higher degrees of communication are associated with employees perceiving change as attractive. A direct link was also found between trust and attractive interpretation ($\beta = .13$, $t = 1.62$, $p < .05$) as well as between trust and non-engaging interpretations of change ($\beta = -.17$, $t = -2.02$, $p < .05$). There was not found any relationship between the dimension of development and change interpretation. Thus, the data provide full support for hypothesis 2a and 2c, but not for hypothesis 2b.

A general proposition was also formulated that the dimensions of the sensemaking context would be related to the attractiveness of present/future identity and image (as part of hypothesis 5). It was found that the implementing and improving dimension of the organisational learning environment were significant predictors of the attractiveness of present identity and image, as well as the communication patterns and the trust but not the
development dimensions of the internal organisational context. The improving and integrating dimensions were significant predictors of the attractiveness of both future identity and image, as well as the communication pattern. Furthermore, although the development dimension was linked to the attractiveness of the future organisational identity, it was not linked to the attractiveness of the future image. Trust was a significant predictor of future identity but not future image. Thus, hypothesis 5 was broadly supported in that there was a general pattern of significant relationships between the sensemaking context and organisational perceptions.

Table 27 also shows a number of other significant and revealing links to the interpretation of change that confirmed the results from both the qualitative Study One and quantitative Study Two. Specifically, the attractiveness of future identity ($\beta = .14, t = 1.78, p<.05$), was directly positively related to the attractive interpretation but not to the interpretation of change as non-engaging ($\beta = -.08, t = -1.27, p = ns$ for future identity). However, the attractiveness of future image was directly positively related to both interpretation as attractive ($\beta = .17, t = 2.11, p<.01$), and as non-engaging ($\beta = -.16, t = -1.91, p<.05$). It is clear then that perceptions of an attractive future image can constitute a lever for diminishing unfavourable interpretations of change. On the other hand, the attractiveness of present identity ($\beta = .31, t = 4.01, p<.001$), and image ($\beta = .21, t = 3.01, p<.01$), were directly and positively linked to the interpretation of change as non-engaging but not as attractive ($\beta = -.14, t = -1.40, p = ns$ for present identity, and $\beta = -.06, t = -.66, p = ns$ for present image). Thus, the data support hypothesis 3. Figure 29 and Figure 29 present these findings coupled with the results of the hypothesis testing, as a revised model of sensemaking and interpretation of change.

Finally, in testing hypothesis 4, (that hierarchical level and tenure would relate to change interpretation), a significant positive relationship was found between hierarchical level and attractive interpretation of change ($\beta = .20, t = 2.31, p<.05$) but not with non-engaging interpretation. Further, a significant positive relationship was found between tenure and non-engaging interpretation ($\beta = .18, t = 2.29, p<.05$) but not between tenure and attractive interpretation of change ($\beta = -.07, t = -.98, ns$). Thus, hypothesis 4 was partially supported.
Figure 29. Sensemaking context, organisational perceptions, individual variables and change interpretation

Figure 30. Sensemaking context and organisational perceptions
To examine the research question concerning the relative strengths of direct and indirect paths between the sensemaking context, organisational perceptions and interpretation of change, the following three regression equations were estimated for each path in Figure 29 and Figure 30. This research question obtained particular importance since very limited direct effects were found between variables of the sensemaking context and change interpretations. First, regressing the mediator (employees' perceptions) on the independent variable (sensemaking context); second, regressing the dependent variable (change interpretations) on the independent variable; and third, regressing the dependent variable on both the independent variable and the mediator. If the independent variable has no effect when controlling the mediator, there is full mediation; if the effect of the independent variable on the dependent variable is less in the third regression equation than in the second, then there is partial mediation (Baron & Kenny, 1986). This procedure is further assisted by the calculation of direct and indirect links between the variables of the sensemaking context and the interpretations of change and is summarised in Table 28.

Table 28. Direct and Indirect Effects

<table>
<thead>
<tr>
<th>Sensemaking</th>
<th>Present Identity</th>
<th>Present Image</th>
<th>Future Identity</th>
<th>Future Image</th>
<th>Attractive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating</td>
<td>-0.09</td>
<td>-0.06</td>
<td>0.26***</td>
<td>0.21**</td>
<td>0.29***</td>
</tr>
<tr>
<td>Direct Effect on</td>
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<tr>
<td>Indirect Effect on</td>
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<td></td>
</tr>
<tr>
<td>Total Effect on</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving</td>
<td>-0.12*</td>
<td>-0.18*</td>
<td>0.19**</td>
<td>0.17*</td>
<td>0.10</td>
</tr>
<tr>
<td>Direct Effect on</td>
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<tr>
<td>Indirect Effect on</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Total Effect on</td>
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<td></td>
</tr>
<tr>
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<td>0.19**</td>
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<td>-0.04</td>
<td>-0.06</td>
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</tr>
<tr>
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<td>-0.19**</td>
<td>0.20**</td>
<td>0.26***</td>
<td>0.34***</td>
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</tr>
<tr>
<td>Total Effect on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.11*</td>
<td>0.14*</td>
<td>0.13*</td>
<td>0.07</td>
<td>0.13*</td>
</tr>
<tr>
<td>Direct Effect on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Effect on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect on</td>
<td></td>
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<td></td>
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<tr>
<td>Development</td>
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<td>0.12</td>
<td>0.15*</td>
<td>0.07</td>
<td>0.10</td>
</tr>
<tr>
<td>Direct Effect on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Effect on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect on</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensemaking</td>
<td>Present Identity</td>
<td>Present Image</td>
<td>Future Identity</td>
<td>Future Image</td>
<td>Non-Engaging</td>
</tr>
<tr>
<td>Integrating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
When coupled the path and mediation analyses revealed four paths that were fully mediational (i.e. the regression coefficient for integrating went from .01 significance level to non-significance when controlling future identity): Integrating → Future Identity → Attractive, and Integrating → Future Image → Attractive, as well as Implementing → Present Identity → Non-Engaging, and Implementing → Present Image → Non-Engaging (Figure 31). The procedure also confirmed the paths revealed in Study 2: Communication → Present Identity → Non-Engaging, and Communication → Future Image → Attractive.

The paths Communication → Future Identity → Attractive, and Communication → Present Image → Non-Engaging (Figure 32) showed again no mediation effects (as in Study Two), as well as the path Development → Future Identity → Attractive. There were four direct paths: Integrating → Attractive, Communication → Attractive, as well as Implementing → Non-Engaging, and Communication → Non-Engaging (Figure 31 & Figure 32). All other paths were partially mediated by employees’ perceptions of the attractiveness of present/future identity and image (Figure 33). Thus, these results provide partial support for hypothesis 5.

<table>
<thead>
<tr>
<th></th>
<th>Direct Effect on</th>
<th>Indirect Effect on</th>
<th>Total Effect on</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving</td>
<td>-.09</td>
<td>-.06</td>
<td>.26***</td>
</tr>
<tr>
<td>Direct Effect on</td>
<td>-.12*</td>
<td>-.18*</td>
<td>.19**</td>
</tr>
<tr>
<td>Indirect Effect on</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Effect on</td>
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<td>-.05</td>
<td>-.10</td>
</tr>
<tr>
<td>Implementing</td>
<td>-.19**</td>
<td>.19**</td>
<td>-.04</td>
</tr>
<tr>
<td>Direct Effect on</td>
<td></td>
<td></td>
<td>.19**</td>
</tr>
<tr>
<td>Indirect Effect on</td>
<td>-.19**</td>
<td>.04</td>
<td>-.04</td>
</tr>
<tr>
<td>Total Effect on</td>
<td>-.19**</td>
<td>.34***</td>
<td>.10</td>
</tr>
<tr>
<td>Communication</td>
<td>-.14*</td>
<td>-.19**</td>
<td>.20**</td>
</tr>
<tr>
<td>Direct Effect on</td>
<td></td>
<td></td>
<td>.26***</td>
</tr>
<tr>
<td>Indirect Effect on</td>
<td>.11*</td>
<td>.14*</td>
<td>.13*</td>
</tr>
<tr>
<td>Total Effect on</td>
<td>-.17*</td>
<td>-.06*</td>
<td>-.23**</td>
</tr>
<tr>
<td>Trust</td>
<td>-.10</td>
<td>.12</td>
<td>.15*</td>
</tr>
<tr>
<td>Direct Effect on</td>
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<tr>
<td>Indirect Effect on</td>
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<td></td>
</tr>
<tr>
<td>Total Effect on</td>
<td>-.05</td>
<td>-0.05</td>
<td>-.10</td>
</tr>
</tbody>
</table>

* p<.05; **P<.01, ***p<.001
Figure 31. Paths 1-4: Integrating to Attractive and Implementing to Non-Engaging Interpretation

![Diagram](image1)

* p<.05; **p<.01, ***p<.001

Figure 32. Communication to both Attractive and Non-Engaging Interpretation

![Diagram](image2)

* p<.05; **p<.01, ***p<.001
8.3.4.3. Path Analysis (stepwise regression) Using the Sub-scales of Attractive and Non-engaging

Since the relationships between the two factors of the attractive sub-scale and the two factors of the non-engaging sub-scale was not very high, the relationship among the variables of the sensemaking process and the interpretation of change was explored further using each of the sub-scales as dependent variables in the subsequent analyses. It was also of interest to explore whether there would be different patterns of sensemaking for the different modes of interpretation.

Multivariate analysis indicated that, across all respondents, the set of independent variables (integrating, improving, implementing, communication, trust, development, the attractiveness of present/future identity and image) was significantly related to the set of dependent variables (enhancement, functionality, devaluation and illegitimacy). Multivariate results were Wilks’ lambda = .73, $F = 14.53$, $p<.001$.

In order to investigate the relationships further, breaking down the change interpretation measures into their sub-scale components, a series of stepwise entry multiple regression
models were constructed with an F entry criterion of .05. The measures of organisational perceptions (attractive present/future identity and image) were entered along with the measures for the sensemaking context onto each of the change interpretation measures in turn. The results of testing the relationships between the sensemaking variables and change interpretation are shown in Table 29. Collinearity diagnostics revealed no multicollinearity between study variables.

Table 29. Regression Results - Sub-scales of Attractive Interpretation

<table>
<thead>
<tr>
<th></th>
<th>Enhancement</th>
<th></th>
<th>Functionality</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>t</td>
<td>β</td>
<td>t</td>
</tr>
<tr>
<td>Present Identity</td>
<td>-.12</td>
<td>-1.31</td>
<td>-.11</td>
<td>-1.29</td>
</tr>
<tr>
<td>Future identity</td>
<td>.14</td>
<td>1.54*</td>
<td>.13</td>
<td>1.49*</td>
</tr>
<tr>
<td>Present Image</td>
<td>-.05</td>
<td>-.71</td>
<td>-.05</td>
<td>-.69</td>
</tr>
<tr>
<td>Future Image</td>
<td>.29</td>
<td>3.68***</td>
<td>.18</td>
<td>2.01*</td>
</tr>
<tr>
<td>Implementing</td>
<td>-.07</td>
<td>-.89</td>
<td>-.04</td>
<td>-.39</td>
</tr>
<tr>
<td>Improving</td>
<td>.10</td>
<td>1.01</td>
<td>.09</td>
<td>.82</td>
</tr>
<tr>
<td>Integrating</td>
<td>.28</td>
<td>3.60***</td>
<td>.27</td>
<td>3.17***</td>
</tr>
<tr>
<td>Trust</td>
<td>.37</td>
<td>4.31***</td>
<td>.07</td>
<td>.73</td>
</tr>
<tr>
<td>Communication</td>
<td>.31</td>
<td>4.01***</td>
<td>.29</td>
<td>3.59***</td>
</tr>
<tr>
<td>Development</td>
<td>.20</td>
<td>2.29*</td>
<td>.06</td>
<td>.61</td>
</tr>
<tr>
<td>Tenure</td>
<td>-.07</td>
<td>-.98</td>
<td>.09</td>
<td>.09</td>
</tr>
<tr>
<td>Hierarchical level</td>
<td>.20</td>
<td>2.31*</td>
<td>.27</td>
<td>2.67**</td>
</tr>
<tr>
<td>Contract</td>
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<td>.83</td>
<td>.06</td>
<td>.61</td>
</tr>
<tr>
<td>Age</td>
<td>.05</td>
<td>.67</td>
<td>.05</td>
<td>.53</td>
</tr>
</tbody>
</table>

* p<.05; **p<.01, ***p<.001

The first regression model was computed for the enhancement of the future organisational identity entering in turn all the variables of the sensemaking process. The solutions yielded seven predictors of the employees’ perception of enhancement. To interpret change as contributing to the enhancement of employees’ organisational identities, they need to work in an environment that reinforces an integrating mode of learning ($\beta = .28, t = 3.60, p<.001$), to perceive good and open communication flow throughout the organisation ($\beta = .31, t = 4.02, p<.001$), to feel they can trust the organisation in its declarations and its relations with them ($\beta = .37, t = 4.31, p<.001$), and to believe that there are opportunities for development within the ‘improved’ organisation ($\beta = .20, t = 2.29, p<.01$). Moreover, employees’ perceptions of an attractive future organisational identity ($\beta = .14, t = 1.54, p<.05$) and image ($\beta = .29, t = 3.68, p<.001$) further contributed to their interpretation of change as enhancing their organisational membership ($R^2 = .542, F = 81.4, p<.001$). The second regression model was computed for the functionality sub-scale of the attractive interpretation of change. The solution yielded five predictors of
functionality, all of which coincide with the prediction of enhancement. However, in this case, trust was not a significant predictor of perceptions of functionality ($\beta = 15$, $t = 1.47$, $p=\text{ns}$), neither employees' expectations for development ($\beta = .06$, $t = .61$, $p=\text{ns}$) while employees' hierarchical level ($\beta = .27$, $t = 2.67$, $p<.001$) was a significant predictor of their interpretation of change as both functional and enhancing ($\beta = .20$, $t = 2.31$, $p<.05$) meaning that the higher employees were at the hierarchy, the more likely it was to interpret change as functional and as enhancing (see Table 29) ($R^2 = .509$, $F = 76.3$, $p<.001$).

The next set of regression models was applied to the non-engaging sub-scale of change interpretation. Employees' interpretations of change as an initiative that devalues the central, enduring and distinctive characteristics of the organisation are strongly associated with feelings of distrust and disbelief that the organisation can deliver what it promises to deliver and that it will not exploit them ($\beta = -.16$, $t = -1.99$, $p<.001$), and perceptions of limited communication flow and involvement in the decision processes within the organisation ($\beta = -.19$, $t = -2.36$, $p<.001$) (Table 30). Moreover, employees perceive the organisational context as one that focuses more on the implementation of established practices ($\beta = .33$, $t = 4.21$, $p<.001$) and less on the promotion and integration of differences ($\beta = -.17$, $t = -1.81$, $p<.01$). Employees' interpretation of change as devaluing the character of the organisation was further strongly associated with perceptions of an attractive present organisational identity ($\beta = .30$, $t = 4.01$, $p<.001$) and present organisational image ($\beta = .27$, $t = 3.02$, $p<.001$) as well as perceptions of an unattractive future organisational image ($\beta = -.21$, $t = 2.31$, $p<.001$), but not future identity ($\beta = -.07$, $t = -.79$, $p=\text{ns}$) ($R^2 = .638$, $F = 96.4$, $p<.001$). This finding could imply that it may be through the impact of an attractive future image that employees can associate and buy into transformational organisational changes.

The illegitimacy ($R^2 = .572$, $F = 84.9$, $p<.001$) sub-scale was characterised by a similar set of predictors with the set that predicted the devaluing interpretation of change (see Table 30). The attractiveness of a future organisational image also appears to be a predictor of illegitimacy in the sense that it may be through the perception of attractive future images that employees may attribute legitimacy to change ($\beta = .06$, $t = -1.17$, $p=\text{ns}$); however, employees' perceptions of an integrating mode of learning ($\beta = -.08$, $t = -.99$, $ns$) did not predict illegitimacy. On the other hand, employees' hierarchical level was a significant
predictor of their perception of illegitimacy in the sense that employees at lower hierarchical level were less likely to interpret change as legitimate than those at the higher levels of the organisational hierarchy ($\beta = .17$, $t = 2.21$, $p<.05$).

Table 30. Regression Results: Sub-scales of Non-Engaging Interpretation

<table>
<thead>
<tr>
<th></th>
<th>Devalue</th>
<th>Illegitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
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<td>Future identity</td>
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<td>-.79</td>
</tr>
<tr>
<td>Present Image</td>
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<td>3.02***</td>
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<tr>
<td>Future Image</td>
<td>-.21</td>
<td>-2.31*</td>
</tr>
<tr>
<td>Implementing</td>
<td>.33</td>
<td>4.21***</td>
</tr>
<tr>
<td>Improving</td>
<td>-.10</td>
<td>-1.12</td>
</tr>
<tr>
<td>Integrating</td>
<td>-.17</td>
<td>-1.81*</td>
</tr>
<tr>
<td>Trust</td>
<td>-.16</td>
<td>-1.99*</td>
</tr>
<tr>
<td>Communication</td>
<td>-.19</td>
<td>-2.36*</td>
</tr>
<tr>
<td>Development</td>
<td>-.11</td>
<td>-1.17</td>
</tr>
<tr>
<td>Tenure</td>
<td>.09</td>
<td>1.01</td>
</tr>
<tr>
<td>Hierarchical level</td>
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<td>.56</td>
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<td>Contract</td>
<td>.03</td>
<td>.41</td>
</tr>
<tr>
<td>Age</td>
<td>.02</td>
<td>.31</td>
</tr>
</tbody>
</table>

* $p<.05$; **$P<.01$, ***$P<.001$

To examine further the relative strengths of direct and indirect paths between the sensemaking context, organisational perceptions and the sub-scales of attractive and non-engaging interpretation of change, the following three regression equations were estimated for each path in Figure 29 and Figure 30, that derived from the combination of Table 29, Table 30 and Figure 28. First, regressing the mediators (employees' perceptions) on the independent variables (sensemaking context); second, regressing the dependent variables (sub-scales of change interpretations) on the independent variables; and third, regressing the dependent variables on both the independent variables and the mediators. If the independent variables have no effect when controlling the mediators, there is full mediation; if the effect of the independent variables on the dependent variables is less in the third regression equation than in the second, then there is partial mediation (Baron & Kenny, 1986).

The results in combination with the calculation of direct and indirect effects of the sensemaking context on the change interpretation sub-scales (Appendix X) revealed seven paths that were fully mediational (i.e. the regression coefficient for integrating went from .01 significance level to non-significance when controlling future identity) concerning the sub-scales of the attractive interpretation: Integrating $\rightarrow$ Future Identity $\rightarrow$ Enhancement;
Integrating $\rightarrow$ Future Image $\rightarrow$ Enhancement; Improving $\rightarrow$ Future Identity $\rightarrow$ Enhancement; Improving $\rightarrow$ Future Image $\rightarrow$ Enhancement; Trust $\rightarrow$ Future Identity $\rightarrow$ Enhancement; Communication $\rightarrow$ Future Identity $\rightarrow$ Enhancement; and Communication $\rightarrow$ Future Image $\rightarrow$ Enhancement (for the Enhancement sub-scale). There were also direct effects between Communication and Enhancement as well as between Integrating, Trust, Development and Enhancement. There was only one indirect path concerning the functional sub-scale: Communication $\rightarrow$ Future Identity $\rightarrow$ Functionality, and no path through the attractiveness of future image (Figure 34).

The results also revealed four fully mediational paths for the non-engaging sub-scales. Trust $\rightarrow$ Present Identity $\rightarrow$ Devalue; Development $\rightarrow$ Present Identity $\rightarrow$ Devalue; Integrating $\rightarrow$ Future Image $\rightarrow$ Devalue; Communication $\rightarrow$ Present Identity $\rightarrow$ Devalue (for the Devalue sub-scale). There were also 7 direct paths: Integrating$\rightarrow$ Devalue; Implementing $\rightarrow$ Devalue; Trust $\rightarrow$ Devalue; Communication $\rightarrow$ Devalue;
Implementing → Illegitimacy; Trust → Illegitimacy; Communication → Illegitimacy. All other paths were partially mediated by employees’ perceptions of the attractiveness of present/future identity and image (Figure 35).

**Figure 35. Direct and Indirect Effects for the Non-Engagement Sub-Scales**

![Diagram](image)

* p<.05; **p<.01, ***p<.001

### 8.3.4.4 Configuration Results

Proposition 7, predicting that the different levels of sensemaking context and employees’ organisational perceptions examined would exhibit a configurational relationship with change interpretation categories was examined using a differentiated criterion set and canonical correlation analyses. Canonical correlations test whether one underlying dimension or more link a set of dependent variables with a set of independent variables. Evidence of a configuration pattern of relationships would exist if multiple underlying dimensions emerged. The criterion set consisted of 2 variables, the attractive and non-engaging interpretation category. The independent variable set consisted of the 10 variables across the two levels of analysis.
This analysis revealed two significant (Wilk’s lambda = .41, F = 4.34, p<.001) underlying dimensions that collectively account for 12.37 percent of the criterion set of interpretations; redundancy coefficients (Stewart & Love, 1968) were 8.85 and 2.31 percent. To interpret these relationships, structure coefficients are used, which are correlations between the original variables and their corresponding canonical variable scores (Pedhazur, 1982). Coefficients greater than or equal to .30 were used for interpretation, as Pedhazur recommended; Table 31 presents the results.

Table 31. Structure Coefficients Linking Sensemaking Context, Organisational Perceptions and Change Interpretation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Canonical Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
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<tr>
<td>Attractive</td>
<td>.74</td>
</tr>
<tr>
<td>Non-Engaging</td>
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</tr>
<tr>
<td>Implementing</td>
<td></td>
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<tr>
<td>Improving</td>
<td>.48</td>
</tr>
<tr>
<td>Integrating</td>
<td>.57</td>
</tr>
<tr>
<td>Communication</td>
<td>.57</td>
</tr>
<tr>
<td>Trust</td>
<td>.44</td>
</tr>
<tr>
<td>Development</td>
<td></td>
</tr>
<tr>
<td>Present Identity</td>
<td>.32</td>
</tr>
<tr>
<td>Present Image</td>
<td></td>
</tr>
<tr>
<td>Future Identity</td>
<td></td>
</tr>
<tr>
<td>Future Image</td>
<td>.69</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
</tr>
<tr>
<td>Hierarchical level</td>
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</tr>
<tr>
<td>Contract</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td></td>
</tr>
</tbody>
</table>

The first dimension was identified by the attractive interpretation sub-scale of the change interpretation scale. The improving (.48), integrating (.57), communication (.57) and trust (.44) contributed from the sensemaking context set. The attractiveness of the future identity (.32) and future image (.69) contributed from employees’ organisational perceptions and hierarchical level (.34) from the individual variable set. This dimension was labelled 'integrating new symbolic experience' capturing a situation in which change is interpreted as attractive through employees’ schemas of an attractive future organisational identity and image. Integrating organisational learning, patterns of information interaction and use and perceptions of trust shape the interpretative predispositions that focus attention on information that is needed to interpret change as attractive.
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The second dimension was identified by the non-engaging interpretation sub-scale (.70) and a negative loading of the improving dimension of the organisational learning (-.47) as well as a positive loading of the implementing dimension (.62). Negative loadings of the communication (-.48) and trust (-.39) dimensions also contributed to the interpretation of change as non-engaging. The attractiveness of present identity (.52) and present image (.43) contribute from employees’ organisational perceptions and organisational tenure (.61) from the individual variable set. This dimension was labelled ‘divisive’ viewing it as capturing a situation in which change was interpreted through the perceptual lenses of an attractive present identity and image and through a context of low levels of communication and trust and in an organisational learning environment characterised by implementation and low sense of improving.

To further investigate whether the different dimensions of sensemaking context might account for the different sub-scale components of attractive and non-engaging interpretation, the hypothesis was tested by using a differentiated criterion set and canonical correlation analyses in order to test whether the dependent variables are linked via one underlying dimension or more with the set of independent variables. The criterion set consisted of 4 variables, the enhancement, the functionality, the devaluing and the illegitimacy interpretations. The independent variable set consisted of the 10 variables across the four sub-scale components of change interpretation.

This analysis revealed three significant (Wilk’s lambda = .33, F = 3.68, p<.001) underlying dimensions that collectively account for 11.14 percent of the criterion set of interpretations; redundancy coefficients (Stewart & Love, 1968) were 7.32 and 3.13 percent. To interpret these relationships, the structure coefficients (Pedhazur, 1982), depicted in Table 32 were used. Coefficients greater than or equal to .30 were used for interpretation, as Pedhazur recommended. Thus, the results provide support for proposition 1 suggesting that when individual and organisational contexts are combined with interpretation content configurations will be developed that predict interpretation outcomes.

Table 32. Structure Coefficients using the Sub-scales of Change Interpretation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Canonical Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Enhancement</td>
<td>.72</td>
</tr>
<tr>
<td>Functionality</td>
<td>.48</td>
</tr>
<tr>
<td>Devalue</td>
<td></td>
</tr>
</tbody>
</table>
The first dimension was identified by both the sub-scales (e.g., enhancement and functionality) of the attractive interpretation measure. The pattern of factors that contributed to its prediction was the same as those predicting the interpretation of change as attractive and it keeps its previous label as ‘integrating new symbolic experience’. The improving (.64), integrating (.65), communication (.43) and trust (.57) contributed from the sensemaking context set. The attractiveness of future identity (.37) and future image (.58) contributed from employees’ organisational perceptions and hierarchical level (.35) from the individual variable set.

The second dimension was identified by both sub-scales of the non-engaging interpretation, devalue (.31) and illegitimate (.70) and a negative loading of the improving dimension of the organisational learning (-.42) as well as a positive loading of the implementing dimension (.47). Negative loadings of the communication (-.36) and trust (-.45) dimensions also contributed to the interpretation of change as non-engaging. The attractiveness of present identity (.71) and present image (.39) contribute from employees’ organisational perceptions and organisational tenure (.53) from the individual variable set. The pattern was the same as the pattern of relations when treating the non-engaging interpretation as a whole. This dimension was labelled as ‘divisive’.

The present analysis, however, revealed a third dimension that is mainly identified by the devalue (.65) sub-scale of the non-engaging interpretation, and the improving (-.31), integrating (-.42) and trusting (-.43) dimensions of the sensemaking context. The attractiveness of the present identity (.37) and the attractiveness of the future image (-.52) contributed from the employees’ organisational perceptions. This dimension of
organisational sensemaking was labelled 'embeddedness', (after Elsbach & Glynn, 1996) to describe the process by which perceptions of images influence employee cognitions and facilitate interpretations of change, capturing the idea that employees' interpretation of change and thus their relation with their organisation is predicted, to a degree, by the images the organisation projects. However, the organisation's construed external image may embed but not fully determine employees' interpretation of change. It is important to note the contribution of the perceptual lens of the future image to the determination of this dimension; the factor of future image has not contributed to the determination either of the 'divisive' dimension of Table 31 or of the divisive dimension of Table 32. This relation underlies the role of the attractiveness of future image in the acceptance of change, and even further the role of image in identity change. This finding is further tackled in the discussion section.

8.3.4.5. Identity Gap and the Interpretation of Change

Regression analyses tested the hypothesis that the gap between employee perceptions of the present and the desired organisational identity (identity gap) as well as the present identity and the desired organisational image (image gap) in this study would predict the interpretation of change. Regressing the attractive interpretation onto the identity gap measure ($\beta = .51$, $t = 10.90$, $p<.001$), it was found that the quadratic curve fits best the data ($R^2 = .276$, $df = 322$, $F = 61.24$, $p<.001$). This finding suggests that when employees perceive a high degree of correspondence (low number of gaps) between present and desired future identity, they do not interpret change as attractive. The same pattern appears when they perceive a very low degree of correspondence (high number of gaps) between the present and the desired future identity. However, when the gap ranges around -1 quadratic points in the curve estimation, meaning that employees perceive that there is a substantive but not very large difference, they interpret change as attractive (Figure 36). A quadratic inverted U-shaped relationship was also obtained when regressing the non-engaging interpretation onto the identity gap measure ($\beta = .32$, $t = 5.70$, $R^2 = .209$, $F = 39.92$, $p<.001$) supporting hypothesis 6.
The analysis is further broken down by the sub-scale components of attractive and non-engaging interpretation. The solutions yielded that the quadratic curve estimation fits best the data, when enhancement is regressed ($\beta = .51, t = 9.56, p<.001$) ($R^2 = .269, df = 322, F = 59.38, p<.001$) onto the identity gap measure as well as the functional sub-scale ($\beta = .42, t = 8.02, p<.001$), ($R^2 = .178, df = 322, F = 34.76, p<.001$). The findings suggest that the width of the discrepancy between the present and the desired future identity affects the interpretation of change in terms of enhancement and functionality in a non-linear way. A very wide as well as a very narrow discrepancy are likely to predict lower perceptions of enhancement and functionality of the change under consideration than medium levels of discrepancy (Figure 37).
The analysis revealed the same pattern of relationships between the sub-scale components of the non-engaging interpretation and identity gap with the relationships revealed between the sub-scale components of the attractive interpretation measure and the identity gap measure. The findings suggest a quadratic inverted U-shaped relationship between identity gap and employees' interpretation of devaluation ($\beta = .34, t = 4.87, p<.001$) ($R^2 = .165, df = 323, F = 31.42, p<.001$) and illegitimacy ($\beta = .21, t = 4.30, p<.001$), ($R^2 = .142, df = 323, F = 24.23, p<.001$).

8.3.4.6. Image Gap and the Interpretation of Change

The second aim was to examine the relationship between the present identity/desired future image gap and change interpretation. The pattern of relationships, however, between the image gap and employees' interpretations of change is quite different from the pattern of relationships revealed above between the identity gap and the interpretation of change. The findings suggest that there is a significant positive linear relationship between image gap and attractive interpretation ($\beta = .70, t = 17.91, p<.001$), meaning that the wider the perceived discrepancy between the present identity and the desired future image the more likely it is that employees will interpret change as attractive ($R^2 = .498, df = 323, F = 320.99, p<.001$ (linear), $R^2 = .629, df = 322, F = 272.56, p<.001$ (quadratic)).

However, as can be seen from the quadratic results, it is apparent that when the discrepancy between the perceived present identity and desired future image is too wide, employees are less likely to perceive change in attractive terms (Figure 38).
Regressing the non-engaging interpretation onto the image gap measure, a significant but negative linear relationship was also found between the two variables. The findings suggest that the more discrepant the desired future image is from the present identity, (the future image is perceived more attractive), the less likely it is that employees will interpret change as non-engaging ($\beta = -.38$, $t = -5.53$, $p<.001$), ($R^2 = .447$, $F = 103.54$, $p<.001$). The quadratic results ($R^2 = .171$, $F = 68.05$, $p<.001$) also show that when the discrepancy is perceived to be very wide, employees are more likely to perceive change as non-engaging from that point on. Collectively the results provide support to hypothesis 7.

Figure 38. Curve estimation of the relationship between image gap, attraction and enhancement with luxury goods sample

The analysis was further broken down by sub-scale components of the attractive and non-engaging interpretation to explore the effect of the image gap measure on the interpretations. When the analysis is broken down, the image gap was a significant predictor of the enhancement of employees' perceived identity ($\beta = .56$, $t = 12.16$, $p<.001$), but not of the functionality ($R^2 = .314$, $df = 323$, $F = 147.85$, $p<.001$). Also the quadratic curve estimation fits the data ($R^2 = .402$, $df = 322$, $F = 108.24$, $p<.001$) showing that when the discrepancy is substantially high, the change is less likely to be interpreted as constructing an enhanced identity for the organisation (Figure 38).

When the analysis is broken down by the sub-scale components of the non-engaging interpretation of change, the image gap was a significant predictor of the devaluing and illegitimacy interpretations. The results indicate that the higher the level of the discrepancy between the present identity and desired future image – denoting employees'
attraction to the desired image—the less likely it is that employees will interpret change as devaluing the organisation ($\beta = -0.26$, $t = 3.81$, $p < 0.001$) and also the less likely it is that they will interpret change as illegitimate ($\beta = -0.18$, $t = 2.96$, $p < 0.001$). However, the quadratic results also revealed significant inverted U-shaped relationships indicating that when the perceived discrepancy between desired future image and present identity is very wide, employees are more likely to interpret change as devaluing ($\beta = -0.19$, $t = 2.91$, $p < 0.01$) and illegitimate ($\beta = -0.16$, $t = 2.48$, $p < 0.01$) ($R^2 = 0.32$, $F = 53.29$, $p < 0.001$).

8.3.4.7. Sensemaking Context and Identity and Image Gap

Exploring further the relationship between employees' perceptions of identity and image gap and the interpretation of change required the split of the identity and image gap measures into three, with the aim of creating three distinct groups: those who perceived no gap between the present and desired future identity, those who perceived a moderate gap, and those who perceived to be a wide gap between the two versions of identity. The procedure was repeated for the image gap measure. In this way the question of whether there are any systematic differences among the three different groups in the way they interpret change was explored. Analyses of variance were performed to determine differences among employees in each group. The three groups were significantly different in the way they interpreted change.

One Way ANOVA yielded significant difference among the groups (based on the identity gap measures) on the interpretation of change as functional ($F = 3.9$, $df = 2.98$, $p < 0.02$) and as enhancing the perceived identity of the organisation ($F = 10.3$, $df = 3.837$, $p < 0.001$). There were also significant differences among the groups on the interpretation of change as devaluing ($F = 4.0$, $df = 2.233$, $p < 0.02$) and illegitimate ($F = 5.213$, $p < 0.01$). Duncan multiple range tests were performed to investigate further the difference in employees' interpretations of change and the perceptions of the internal context between the pairs of groups. These tests indicated that in most cases, the group who perceived that a medium gap existed between the present and desired future identity perceived the internal context and interpreted change in a different way than the two other groups. The medium group perceived the enhancement of their organisational identity ($F = 15.43$, $p < 0.01$) and the functionality of the new initiative ($F = 12.06$, $p < 0.01$) significantly higher than the other two groups. The group was also significantly different in their perceptions of trust ($F = 16.37$, $p < 0.01$), communication ($F = 22.45$, $p < 0.01$), and perceptions of integration ($F = 405$)
13.48, p<.01), as they trusted the organisation more than the other groups, they perceived that they received more and suitable information that supported the change, and that the organisational environment supported innovation and the integration of the new with the old in a greater extent than the other two groups (Table 33).

Table 33. Group differences based on the identity-gap measure

<table>
<thead>
<tr>
<th>Variable</th>
<th>No Gap (Group 1)</th>
<th>Medium (Group 2)</th>
<th>Wide (Group 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancement</td>
<td>3.08b</td>
<td>5.83a</td>
<td>3.49b</td>
</tr>
<tr>
<td>Functionality</td>
<td>3.23b</td>
<td>4.14a</td>
<td>3.17b</td>
</tr>
<tr>
<td>Illegitimacy</td>
<td>3.31b</td>
<td>2.68a</td>
<td>3.06b</td>
</tr>
<tr>
<td>Devalue</td>
<td>3.82b</td>
<td>3a</td>
<td>3.91b</td>
</tr>
<tr>
<td>Integrating</td>
<td>2.61b</td>
<td>5.4a</td>
<td>2.85b</td>
</tr>
<tr>
<td>Improving</td>
<td>3a,b</td>
<td>3.32a</td>
<td>3.12a</td>
</tr>
<tr>
<td>Implementing</td>
<td>4.15b</td>
<td>3.38a</td>
<td>4.04b</td>
</tr>
<tr>
<td>Trust</td>
<td>2.21b</td>
<td>3.68a</td>
<td>2.37b</td>
</tr>
<tr>
<td>Communication</td>
<td>2.95b</td>
<td>5.92a</td>
<td>3.01b</td>
</tr>
<tr>
<td>Development</td>
<td>2.27b</td>
<td>3.87a</td>
<td>2.45b</td>
</tr>
</tbody>
</table>

The final step was to investigate whether the perceived wideness of the identity gap moderates the relationship between future identity and attractive interpretation of change. The hierarchical regression analyses suggested by Baron and Kenny (1986) and James and Brett (1984) indicated that the perceived wideness of the identity gap moderated the relationship between attractive future identity and attractive interpretation of change (Table 34).

Table 34. Hierarchical regression results for moderation

<table>
<thead>
<tr>
<th>Model (Attractive)</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>4.229</td>
<td>.000</td>
</tr>
<tr>
<td>Fld</td>
<td>.269</td>
<td>1.06</td>
<td>.096</td>
</tr>
<tr>
<td>Identity Gap</td>
<td>.421</td>
<td>3.02</td>
<td>.010</td>
</tr>
<tr>
<td>XZ</td>
<td>.324</td>
<td>2.11</td>
<td>.019</td>
</tr>
<tr>
<td>Z²</td>
<td>.523</td>
<td>1.97</td>
<td>.048</td>
</tr>
<tr>
<td>XZ²</td>
<td>.529</td>
<td>3.34</td>
<td>.002</td>
</tr>
</tbody>
</table>

The above results indicate that the effect of the perceived attractiveness of future identity on the attractive interpretation of change is stronger for employees who perceive that there is a medium gap between the present and the desired future than employees who perceive a small or a very wide discrepancy. The moderator effect of perceived identity gap was

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48 Both the moderator and the independent variables are continuous and the effect of the independent variable on the dependent varies quadratically with respect to the moderator.
also obtained when the dependent variables were the sub-scales of enhancement and functionality.

Finally, incorporating the perceived wideness into the change sensemaking model (Figure 28) and conducting the hierarchical regression analyses suggested by James and Brett (1984) as depicted in Table 34 and Table 35 below indicated the existence of moderated mediation among the variables of communication, future identity, identity gap and interpretation of change (i.e. attractive).

Table 35. Identity gap moderates the relationship between communication and future identity

<table>
<thead>
<tr>
<th>Model</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>5.012</td>
<td>.000</td>
</tr>
<tr>
<td>Communication</td>
<td>.216</td>
<td>.836</td>
<td>.139</td>
</tr>
<tr>
<td>Identity Gap</td>
<td>.414</td>
<td>2.53</td>
<td>.013</td>
</tr>
<tr>
<td>Comm X Gap</td>
<td>.374</td>
<td>2.21</td>
<td>.018</td>
</tr>
<tr>
<td>Gap²</td>
<td>.464</td>
<td>1.34</td>
<td>.052</td>
</tr>
<tr>
<td>Comm X Gap²</td>
<td>.487</td>
<td>3.05</td>
<td>.003</td>
</tr>
</tbody>
</table>

The results suggest that the relation between communication and the attractiveness of future identity is moderated by the perceived wideness of the identity gap and that moderation carries over into the second stage of mediation since the relations between attractive interpretation of change and future identity are contingent on the perceived wideness of the identity gap. Hierarchical regression analyses were conducted in order to investigate whether the perceived wideness of the identity gap moderates the relationship between the remaining indicators of the sensemaking context and the attractiveness of future identity. Baron and Kenny (1986) as well as James and Brett (1984) indicate that the test of quadratic moderation is given by the test of the interaction of independent variable with the square of the mediator. Table 36 summarises the results of this test indicating that employees' perceptions of the identity gap moderate the relationship between most of the variables of the sensemaking context and future identity but not the relationship between implementing and future identity.

Table 36. Identity gap moderates the relationship between the sensemaking context and future identity

<table>
<thead>
<tr>
<th>Model</th>
<th>β</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm X Gap²</td>
<td>.487</td>
<td>3.05</td>
<td>.003</td>
</tr>
<tr>
<td>Integrating X Gap²</td>
<td>.503</td>
<td>3.82</td>
<td>.000</td>
</tr>
<tr>
<td>Implementing X Gap²</td>
<td>.209</td>
<td>.845</td>
<td>.144</td>
</tr>
</tbody>
</table>
The final step was to investigate whether the different groups, differentiated according to their ratings on the image gap measure would differ in the way they interpreted change and perceived the different dimensions of the internal organisational context. For the image gap variable, because a linear relationship was found, a median split was performed on the image-gap variable and mean differences between those who perceived a wide gap and those who perceived a narrow image-gap were examined using t-tests. Those who perceived that a wide gap existed between the present identity and the desired future image were significantly different from those who perceived a narrower gap on the illegitimate (t = -2.31, p<.05) interpretation of change, on their perception of change as an initiative that devalues the organisation (t = -3.72, p<.001) and on their perceptions of a change inspiring an enhanced identity for the organisation (t = 2.51, p<.05). These findings suggest that when employees believe that the introduced change will affect the image of the organisation in a considerable and attractive degree, they are more likely to interpret change as less devaluing and illegitimate, and they are more likely to consider the future identity of the organisation as more attractive than the present one (the opposite has also been showed).

8.3.5. Discussion

Overall, the study’s results offered general support, clarification and refinement of the ‘grounded’ findings of the qualitative case study (Study One) as well as the initial model of change interpretation of the first quantitative case study (Study Two). The results confirm that employees’ perceptions of the attractiveness of the organisation’s image and identity have strong and systematic relationships with their interpretations of the transformational organisational change recently introduced in their company. These findings suggest that employees are more likely to accept the new organisational paradigm and interpret change as attractive, when they perceive change through the lens of an attractive, future organisational identity, which means that the future organisational identity and image are socially desirable and idealised. When the organisational ideal provides a provisional and challenging identity to which employees can aspire, thus motivating behaviour consistent with the identity, it also provides benchmarks for interpreting and evaluating any proposed change. However, attractive present
organisational identities and construed external images can limit transformational organisational change as they generate non-engaging interpretations of change.

However, the relationship between employees’ organisational perceptions and their interpretation of change are more complicated on examining the intrinsic dimensions of change interpretation than the pattern of relationships discussed above. Even though the dimensions of enhancement and functionality repeated the pattern obtained for the attractive interpretation and illegitimacy repeated the pattern obtained for the non-engaging interpretation, the dimension of devaluing core facets of the organisation’s identity was perceived through a different set of perceptual lenses. When employees can see that the proposed reorientation will generate an attractive future image for the organisation, they may change their perceptions about the identity of the organisation and consequently interpret change as less devaluing.

Furthermore, the attractiveness of present/future image and identity not only directly affected change interpretation, but they also served as influential linkages between the organisational sensemaking context and change interpretation. The results also provide evidence for a more generalised context of sensemaking, a context that includes variables other than the communication patterns within the organisation. The mode of organisational learning had a contextual influence on change interpretation, with integrating and improving modes of learning supporting attractive interpretations and implementing learning modes generating non-engaging interpretations. The process of interpreting change as attractive thus depends upon employees’ perceptions of the organisational climate as one where they can learn in an integrative and improving way and where they can understand and manage discord. Moreover, the trust they feel towards the organisation in order to feel secure to embrace change and the possibility of personal development contribute to a context that generates favourable interpretations and supports change.

Moreover, the data confirmed the proposition that employees’ perceptions of the wideness of the identity and image gap would affect their interpretations of organisational change. It was shown that there is an inverted U-shaped relationship between identity gap and change interpretation. Employees who perceived the identity gap to be too wide, believed that the desired future organisational identity was unattainable and interpreted change as non-engaging. At the same time, when they perceived to be no gap between the present and the desired future identity they also interpreted change as non-engaging. However,
when they perceived to be a substantial but not very wide discrepancy between the two organisational identities, they interpreted change as attractive. The inverted U-shaped relationship was also obtained for both the enhancement and the functionality sub-scales of the attractive interpretation. The same pattern of relationships was obtained on examining the relationship between the identity gap and the non-engaging interpretation, where a quadratic inverted U-shaped relationship was found between the two variables. The same quadratic pattern of inverted U-shaped relationships has been revealed also for the two sub-scales of the non-engaging interpretation of change. The above relationships will be examined further in the next case study in order to determine their accuracy and prediction validity in different organisational contexts.

The finding supporting an inverted U-shaped relationship between identity gap and change interpretation has one more important implication concerning the nature of organisational change. It implies that at the micro level transformational change occurs through moderate and frequent adjustments and adaptations rather than episodic and discontinuous episodes, which are capable of altering strategy and essence in a transformative way.

When examining the relationship between employees' perceptions of the discrepancy between the present identity and desired future image, a different pattern was revealed. The findings suggested that the greater the perceived discrepancy between the present identity and the desired future image, the more likely it is that employees will interpret change as attractive and the less likely it is that they will interpret change as non-engaging. However, a significant inverted U-shaped relationship was also found between the two pairs of variables, which means that when the discrepancy is perceived to be substantially wide, employees are less likely to perceive change in attractive terms and more likely to perceive change in non-engaging terms. These results show that a perceived attractive future external image can be influential in changing employees' beliefs about organisational identity, as it can widen the gap between present and desired future identity prompting employees to reassess their views about the attractiveness of the present identity and facilitate change.

However, in order to further explore the obtained relationships and draw accurate conclusions from the data, it was clear that an additional sample would be required. It was of interest to examine especially whether different sensemaking models will occur depending on the various dimensions of sensemaking. The use of a new sample would contribute to the assessment of the transferability of the sensemaking model to different
organisational populations. It was argued in Chapter Six that the sensemaking model emerged from the study of a context that featured an industry and an organisation unfamiliar with strategic transformational change that is common in the business arena. For this reason the findings might seem as an artefact of the domain studied. It is interesting therefore to extend the model to include companies in high velocity organisational contexts and environments that are familiar with competition that stresses an organisation’s capacity to change, such as communication companies, to see if it could be applied more broadly. However, in all organisational change situations, image and identity structures are likely to exert some influence. To recap, the model developed in this thesis illuminated the cognitive processes that hinder radical transformations and repositionings, in an organisational setting unfamiliar with the notion of strategic change (Chapter Six).

8.4. TRANSFERING STUDY 3’S FINDINGS TO A NEW ORGANISATIONAL POPULATION

8.4.1. Introduction

Following completion of Study 3, as detailed in Section 8.3 above, it became clear that transferability of the obtained model of change sensemaking would be required with a fresh sample before any unequivocal conclusions could be drawn about the model of change sensemaking. A particular issue concerned the different sensemaking models that resulted when the dependent variables of attractive and non-engaging were treated as a whole and when their structural dimensions were treated separately. It was also of interest to determine whether internal contextual factors are consistently related to the interpretation of change by employees and to identify the factors that are attended to and also to determine whether certain combinations of these factors, when they are perceived to be present, consistently lead to the same interpretation of change. Regardless of these issues, however, re-running the analyses with a new sample remained critical to assessing the transferability of the change sensemaking model to different organisational populations operating in industries familiar with competition and with the need to continuously adapt their strategy to changing environmental demands. Whether the findings obtained from Study 3 would be transferable to an organisation operating in a high velocity environment was investigated in a new organisational sample, which was drawn from all staff across a UK communications company.
8.4.2. The organisation in context

The company operates in the highly volatile telephone and communications industries. Its environment is characterised by high degrees of technological and market change. Just to survive, it must implement a variety of changes, both technological and organisational. The case study took place at a time when the company had introduced a major restructuring and identity programme aiming to adapt the company not only to rapid technological changes but also to its rapidly developing size. “This is not the small company of 30 people and friends who started the company. Our size now requires a change in strategy and management practices, because it’s another thing to manage a small and flexible company and another to manage a company that has multiplied its size” (D: Executive Manager). The culture and strategy of the company had to be changed to include notions of innovation, differentiation and high quality. In this sense, structural and behavioural changes were introduced that asked for the structure of autonomous and decentralised product divisions focused on specialised niche markets and at the same time encouraged coordination and cooperation among product divisions. Organisational members were encouraged to work with others in other departments within the same and different divisions in order to keep innovating, but not replicating the efforts of the company. One of the changes toward this direction was the introduction of a performance management system that measured and rewarded ‘sustained contributions’; the key to success for an employee was working with many people in the division. This change had to be supported by the change of other systems, such as information and communication systems, encouragement of meetings and exchange of different ideas. Finally, the company had to develop not only the technical competences of its employees but also their customer service and a philosophy of continuous improvement. As one executive manager put it: “Making the best product is one thing; however, what matters now is your partnerships and contracts even before you have developed the product. The philosophy has been reversed” (D: Executive Manager).

8.4.3. Method

8.4.3.1. Sample

The sample was taken from a communications provider company, comprising staff from all jobs, departments, grades and levels of education across the organisation. Supervisor
and managerial staff were included in the sample. The sample exhibited the following properties:

- Total sample size = 385 (representing a 33% response rate) of which 43% were female.
- Age ranged from 19 to 55+ years, with a mean of 30-34 years.
- 100% were in full-time employment, with organisational tenure ranged from 0.1-10 years, with a mean of 3-5 years and standard deviation of 5.5 years.
- 1.4% described themselves as top managers, 5.4% as section managers, 27.9% as managers, 12.5% as team leaders and 52.8% as non-supervisory employees. Finally, 73.4% described their employment contract as ‘permanent’, whilst 26.6% described it as ‘temporary’.

8.4.3.2. Measures

All respondents completed a self-administered questionnaire. The first section of the questionnaire comprised a biographical section and sought demographic information on gender, age, hierarchical level, departmental membership, type of contract, and organisational tenure. The second section of the questionnaire contained 36 items relating to perceived sensemaking context, quantified in terms of a number of dimensions relevant to employees, as detailed in Study 3 (Section 8.3.3.2 above) – note that twelve items had been removed from the scale following Study 3 (Section 8.3.4.1). Items included in this section appear in Appendix IX, along with their expected a priori factorial membership. The third section of the questionnaire contained the measures of the attractiveness of present/future identity and image, as operationalised in Study 2 (Section 7.4.2.3), which comprised 28 items relating to employees’ perceived attractiveness of the present/future identity and image of their organisation. The identity and image measures were also developed as a result of the document analyses and the analyses of interviews with the top management. Identity and image gap was assessed using the two versions of the questionnaire, ‘present’ and ‘future’, for the two types of organisational perceptions, identity and image. The gap was operationalised in Study 3 (Section 8.3.3.2) as the negative sum of the differences between responses to corresponding items on the two questionnaires. The final section of the questionnaire contained 33 items relating to the Change Interpretation Scale, quantified in terms of the ‘attractive’ (alpha=.87) and ‘non-engaging’ (alpha=.91) dimensions of change interpretation relevant to employees, as
detailed in Study 2 (Section 7.4.2.3). The questionnaire also requested information of specific interest to the respective study organisation. These questions were separated from the body of the questionnaire in order to minimise any error introduced by their inclusion.

8.4.3.3. Procedure

In order to establish the scale's psychometric properties, the following procedural steps were performed:

- Confirmatory maximum likelihood factor analysis to confirm factor structure;
  Confirmatory maximum likelihood factor analysis to confirm the relationship between the component sub-scales of each instrument.

- Assessment of internal consistency of each factorial sub-scale via reliability analysis.

The application of factor analytic techniques with this sample upheld all guidelines suggested by leading psychometricians, as follows:

1. The sample was heterogeneous, taken from a single organisation across jobs, departments and grades;

2. The sample comprised 385 members, exceeding the 100 minimum suggested by, e.g. Barrett and Kline (1981);

In order to explore the relationship between employees' perceptions of the sensemaking context, organisational perceptions and change interpretation, the correlational and regresional relationships between sensemaking context and change interpretation were assessed via parametric techniques. These analyses were also undertaken across disciplinary sub-groups to assess shared and idiosyncratic predeterminants of change interpretation at this intra-organisational level. The hypothesised relationships among variables were tested using path analysis (stepwise regression) linear and quadratic. The path analytical technique allowed the identification of the relative magnitudes of the direct and indirect effects of the sensemaking context and identity/image variables on employees' interpretation of organisational change. A test of mediation using the three-regression-equations procedure suggested by Baron and Kenny (1986) was employed as well as a test of moderation along with a differentiated criterion set and canonical correlation analyses. Finally, multivariate regression analyses were employed to identify the overall relationship between the change interpretation measures and the sensemaking process measures.
8.4.4. Results

Confirmatory maximum likelihood factor analysis was undertaken with 33 items constructed as part of the change interpretation measure, for the electronics sample (note that three of the scale’s original items had been excluded from further analysis due to factorial confusion and low factorial loadings following Study 2). The criterion ‘eigenvalues>1’ was used, rather than specifying the number of items to rotate. The results are shown in Table 37, below. Please note that factor loadings lower than .3 have been excluded for the sake of clarity.

Table 37. Maximum likelihood 2-factor analysis for change interpretation scale with communications sample

<table>
<thead>
<tr>
<th>Change Interpretation Item No.</th>
<th>Factor Analysis (n = 163)</th>
<th>Sub-scale Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 (Attractive)</td>
<td>2 (Non-Engaging)</td>
</tr>
<tr>
<td>1</td>
<td>.749</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>.487</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>.732</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>.561</td>
<td></td>
</tr>
<tr>
<td>5</td>
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</tr>
<tr>
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<td>.554</td>
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<td>17</td>
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<td>.501</td>
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<td>19</td>
<td>403</td>
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<td>20</td>
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<td>.761</td>
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<td>.351</td>
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<tr>
<td>22</td>
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<td>.488</td>
</tr>
<tr>
<td>23</td>
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<td>.607</td>
</tr>
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<td>.521</td>
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<td></td>
<td>.823</td>
</tr>
<tr>
<td>30</td>
<td></td>
<td>.804</td>
</tr>
<tr>
<td>31</td>
<td></td>
<td>.512</td>
</tr>
<tr>
<td>32</td>
<td></td>
<td>.463</td>
</tr>
</tbody>
</table>
The solution converged in 13 iterations, explaining 57.9% of variance in the data: 25.1% for Factor 1 (eigenvalue = 5.22), and 32.8% for Factor 2 (eigenvalue = 7.22). The chi-square test of fit statistic reached 199.28, df = 159, with an associated probability value of p=.001. As with Study 2, this solution presented exactly the same picture to that reported by the electronics sample.

To further explore the factor structure underlying each of the two principal sub-scales, Principal Components factor analysis was undertaken with items comprising each sub-scale. For the attractive sub-scale, a forced 2-factor solution was obtained. The solution converged in 23 iterations, explaining 53.1% of variance in the data: 44.9% for Factor 1 (Enhancement) (eigenvalue = 4.94), and 8.2% for Factor 2 (Functionality) (eigenvalue = .90). The chi-square test of fit statistic reached 62.88, df = 25, with an associated probability value of p<.001. For the non-engaging sub-scale, a forced two-factor solution was obtained. The solution converged in 9 iterations, explaining 57.9% of variance in the data, 39.4% for Factor 1 (Devalue) (eigenvalue 7.48) and 18.5% for Factor 2 (Illegitimacy) (eigenvalue = 1.28). The chi-square test of fit statistic reached 288.13, df = 100, with an associated probability value of p<.001. This result replicated that obtained with the luxury goods sample, suggesting a generalisable and robust factor structure.

The perceived sensemaking context scale was analysed in a similar way with the luxury goods sample, with confirmatory ML factor analysis being used to extract all factors with eigenvalues greater than 1.0. Also in this sample, a six-factor solution was suggested as the most accurate account of the sample data. This solution appears in Table 38, below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Factor 1</th>
<th>Factor 2</th>
<th>Factor 3</th>
<th>Factor 4</th>
<th>Factor 5</th>
<th>Factor 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPL2</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMPL3</td>
<td>.524</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>IMPL4</td>
<td>.673</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>IMPL5</td>
<td>.573</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMPL6</td>
<td>.607</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMPL7</td>
<td>.489</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMPRO1</td>
<td></td>
<td>.683</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IMPRO2</td>
<td></td>
<td>.518</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The solution converged in 12 iterations, explaining 60.2% of variance in the data: 37.4% for Factor 1 (eigenvalue = 7.48), 8.6% for Factor 2 (eigenvalue = 1.91), 6.4% for Factor 3 (eigenvalue = 1.28), 5.4% for Factor 4 (eigenvalue = 1.08), 4.6% for Factor 5 (eigenvalue = .93) and 2.4% for Factor 6 (eigenvalue = .80). The chi-square test of fit statistic reached 379.71, df = 148, with an associated probability value of p < .001. The result also in this case replicated that obtained with the luxury goods sample, suggesting a generalisable and robust factor structure. This solution also saw the expected dimensions ‘improving’, ‘risk-taking’, and ‘innovation’ loading together, the ‘integrating’ and ‘involvement’ dimensions loading together, as well as the ‘employee development’ and the item remaining from the ‘reward’ dimension. For this solution the ‘trust’, ‘implementing’ and ‘communication’ items also loaded independently, as expected (Appendix IX).

Non-causal path analyses among the variables were performed in order to investigate the relationships among the sensemaking context, organisational perceptions and change interpretation as well as the direct and indirect effects of the independent and mediator
variables on interpretation. Table 39 depicts the beta coefficients obtained from the regression equations, which represent the path coefficients of the model and the direct effects of the antecedents on the relevant dependent variable.

Table 39. Predictors of attractive interpretation using path analysis procedures with communications sample

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>t</th>
<th>R²</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attractive</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present Identity</td>
<td>-.15</td>
<td>-1.45</td>
<td>.49</td>
<td>18.39***</td>
</tr>
<tr>
<td>Present Image</td>
<td>-.05</td>
<td>-1.45</td>
<td>.49</td>
<td>18.39***</td>
</tr>
<tr>
<td>Future Identity</td>
<td>.16</td>
<td>1.59*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Image</td>
<td>.18</td>
<td>2.29*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementing</td>
<td>-.08</td>
<td>-.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving</td>
<td>.10</td>
<td>1.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrating</td>
<td>.27</td>
<td>3.49***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>.12</td>
<td>1.47*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>.32</td>
<td>3.88***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empl. Development</td>
<td>.06</td>
<td>.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>-.06</td>
<td>-.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hierarchical level</td>
<td>.19</td>
<td>2.42*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract</td>
<td>.07</td>
<td>.08</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>.04</td>
<td>.42</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* p<.05; **P<.01, ***p<.001

The above-listed factors were able to account for 49% of variance in the attractive interpretation data. The findings suggest that in order for these employees to perceive change as attractive, they need to see their future organisational identity as well as the construed external image of the organisation as attractive. Employees also need to perceive high communication flow and involvement in decision processes within the organisation, feel that they can trust the organisation and that they are encouraged to express differences of opinion and use them in creative and constructive ways.

Furthermore, hierarchical level is the only significant individual predictor of the change interpretation, since employees high in the hierarchy are more likely to interpret change as attractive.

Table 40. Predictors of Non-Engaging interpretation using path analysis with communications sample

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>t</th>
<th>R²</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Engaging</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present Identity</td>
<td>.29</td>
<td>3.74***</td>
<td>.59</td>
<td>24.39***</td>
</tr>
<tr>
<td>Present Image</td>
<td>.22</td>
<td>3.22***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Identity</td>
<td>-.07</td>
<td>-1.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Future Image</td>
<td>-.15</td>
<td>-1.84*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementing</td>
<td>.31</td>
<td>4.03***</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The above listed factors were able to account for 59% of variance in the non-engaging interpretation data. The findings suggest that in order for employees to interpret change as non-engaging, they need to perceive the present organisational identity and construed external image as attractive, feel that they need to stick to established routines and procedures, perceive limited communication flow and involvement and feel that they cannot trust the organisation. At the same time, they perceive especially the future image of the organisation as unattractive but not its identity. Tenure was the only individual predictor of non-engaging interpretation, as employees with longer organisational tenures tended to systematically interpret change as non-engaging.

**Table 41. Predictors of Enhancement and Functionality using path analysis with communications sample**

<table>
<thead>
<tr>
<th></th>
<th>Enhancement</th>
<th></th>
<th>Functionality</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td></td>
<td>β</td>
<td></td>
</tr>
<tr>
<td>Present Identity</td>
<td>-11</td>
<td>-1.19</td>
<td>-.10</td>
<td>-1.13</td>
</tr>
<tr>
<td>Future identity</td>
<td>.16</td>
<td>1.76*</td>
<td>.14</td>
<td>1.61*</td>
</tr>
<tr>
<td>Present Image</td>
<td>-.08</td>
<td>-.94</td>
<td>-.06</td>
<td>-.83</td>
</tr>
<tr>
<td>Future Image</td>
<td>.32</td>
<td>3.89***</td>
<td>.20</td>
<td>2.38**</td>
</tr>
<tr>
<td>Implementing</td>
<td>-.06</td>
<td>-.68</td>
<td>-.07</td>
<td>-.82</td>
</tr>
<tr>
<td>Improving</td>
<td>.11</td>
<td>1.24</td>
<td>.12</td>
<td>1.33</td>
</tr>
<tr>
<td>Integrating</td>
<td>.26</td>
<td>3.49***</td>
<td>.24</td>
<td>2.65**</td>
</tr>
<tr>
<td>Trust</td>
<td>.29</td>
<td>4.02***</td>
<td>.05</td>
<td>.61</td>
</tr>
<tr>
<td>Communication</td>
<td>.29</td>
<td>3.87***</td>
<td>.26</td>
<td>3.36***</td>
</tr>
<tr>
<td>Development</td>
<td>.06</td>
<td>.83</td>
<td>.08</td>
<td>1.08</td>
</tr>
<tr>
<td>Tenure</td>
<td>-.05</td>
<td>-.77</td>
<td>.08</td>
<td>1.01</td>
</tr>
<tr>
<td>Hierarchical level</td>
<td>.19</td>
<td>2.09*</td>
<td>.24</td>
<td>2.32**</td>
</tr>
<tr>
<td>Contract</td>
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<td>.82</td>
</tr>
<tr>
<td>Age</td>
<td>.04</td>
<td>.59</td>
<td>.03</td>
<td>.42</td>
</tr>
</tbody>
</table>

* p<.05; **P<.01, ***p<.001

The above listed factors were able to account for 33% of variance in the enhancement interpretation data and 21% of variance in the functionality data. The pattern of variables that predicted the two sub-scales of the attractive interpretation is exactly the same with
that predicting the attractive interpretation of change. The only difference is exhibited with
the prediction of the enhancement. In order for employees to perceive the proposed change
to be enhancing for the identity of the organisation, they need to feel that they can trust the
organisation and that they work in an environment where they feel secure. Trust was not a
predictive variable of the functionality sub-scale of interpretation.

Table 42. Predictors of Devalue and Illegitimacy Interpretation of Change

<table>
<thead>
<tr>
<th></th>
<th>Devalue</th>
<th>Illegitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>$t$</td>
</tr>
<tr>
<td>Present Identity</td>
<td>.28</td>
<td>3.87***</td>
</tr>
<tr>
<td>Future identity</td>
<td>-.08</td>
<td>-.87</td>
</tr>
<tr>
<td>Present Image</td>
<td>.25</td>
<td>2.81***</td>
</tr>
<tr>
<td>Future Image</td>
<td>-.24</td>
<td>-2.43*</td>
</tr>
<tr>
<td>Implementing</td>
<td>.30</td>
<td>4.01***</td>
</tr>
<tr>
<td>Improving</td>
<td>-.09</td>
<td>-1.03</td>
</tr>
<tr>
<td>Integrating</td>
<td>-.18</td>
<td>-1.96*</td>
</tr>
<tr>
<td>Trust</td>
<td>-.17</td>
<td>-1.78*</td>
</tr>
<tr>
<td>Communication</td>
<td>-.20</td>
<td>-2.43*</td>
</tr>
<tr>
<td>Development</td>
<td>-.10</td>
<td>-1.05</td>
</tr>
<tr>
<td>Tenure</td>
<td>.08</td>
<td>.94</td>
</tr>
<tr>
<td>Hierarchical level</td>
<td>.04</td>
<td>.43</td>
</tr>
<tr>
<td>Contract</td>
<td>.04</td>
<td>.49</td>
</tr>
<tr>
<td>Age</td>
<td>.03</td>
<td>.39</td>
</tr>
</tbody>
</table>

* $p<.05$; **$p<.01$, ***$p<.001$

The above listed factors were able to account for 39% of variance in the devalue
interpretation data and 20% of variance in the illegitimacy data. The pattern of variables
that predicted the two sub-scales of the non-engaging interpretation is similar with that
predicting the non-engaging interpretation of change. The role of the perceived external
image is still a significant predictor of the interpretation of change as devaluing the
identity of the organisation and as illegitimate. The only difference is depicted at the role
of integrating and hierarchical level as a predictor of illegitimacy. The results repeat and
reaffirm the set of predictors depicted also with the luxury goods sample.

Testing for mediation now, the results also revealed three fully mediational paths for the
attractive interpretation and three fully mediational paths for the non-engaging
interpretation. (Integrating $\rightarrow$ Future Identity $\rightarrow$ Attractive, and Integrating $\rightarrow$ Future
Image $\rightarrow$ Attractive, as well as Implementing $\rightarrow$ Present Identity $\rightarrow$ Non-Engaging, and
Implementing $\rightarrow$ Present Image $\rightarrow$ Non-Engaging; Communication $\rightarrow$ Present Identity
$\rightarrow$ Non-Engaging, and Communication $\rightarrow$ Future Image $\rightarrow$ Attractive). All other paths were
partially mediated by employees’ perceptions of the attractiveness of present/future
identity and image, except from the paths Communication → Future Identity → Attractive, Communication → Present Image → Non-Engaging and Development → Future Identity → Attractive that showed again no mediation effects (Figure 39).

Figure 39. Direct and Indirect Effects for the communications sample

Testing for mediation for the various sub-scales of attractive and non-engaging interpretations, the same paths appeared in this sample with that obtained with the luxury goods sample. The most significant finding was the role of future image on the interpretation of change as devaluing and illegitimate. The perception of an attractive future image may pull present identity into alignment with the future image and change. The depiction of the indirect path Integrating → Future Image → Devalue, shows that the perception of devaluing could be treated differently from the other ways of interpreting change. This result is further supported by the configuration results, depicted in Table 43, below:

Table 43. Structure coefficients using the sub-scales of change interpretation with communications sample

<table>
<thead>
<tr>
<th>Variables</th>
<th>Canonical Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
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<tr>
<td>Enhancement</td>
<td>.70</td>
</tr>
<tr>
<td>Functionality</td>
<td>.52</td>
</tr>
<tr>
<td>Devalue</td>
<td>.33</td>
</tr>
<tr>
<td>Illegitimacy</td>
<td>.65</td>
</tr>
<tr>
<td>Implementing</td>
<td>.41</td>
</tr>
<tr>
<td>Improving</td>
<td>.61</td>
</tr>
<tr>
<td>Integrating</td>
<td>.63</td>
</tr>
<tr>
<td>Communication</td>
<td>.47</td>
</tr>
<tr>
<td>Trust</td>
<td>.53</td>
</tr>
</tbody>
</table>
The configuration results depicted in Table 43 confirm the three dimensions of change interpretation revealed in the luxury goods sample. The third dimension of 'embedding' was also obtained in the current sample revealing that perceptions of images influence employee cognitions and facilitate favourable interpretations of change. It captures the idea that employees’ interpretation of change and thus their relation with their organisation is predicted, to a degree, by the perceived attractiveness of images the organisation is planning to project into the future.

Finally, regression analyses tested the effect of identity gap perceptions onto the interpretation of change. Table 44 confirms the results obtained with the luxury goods sample and reveals the inverted U-shaped relationship between the perceived identity gap and the interpretation of change as attractive. Moreover, the results indicated the moderator role of the perceived wideness of identity gap on the relationship between future identity and attractive as well as non-engaging interpretation of change. Hierarchical regression analyses tested the moderated mediation of the perceived wideness of identity gap on the relationship between future identity and attractive interpretation of change as well as on the relationship between the sensemaking context and perceived future identity and confirmed the findings from Study Three.

**Table 44. Regression results of the effect of identity gap onto the interpretation of change**

<table>
<thead>
<tr>
<th>Variable</th>
<th>$\beta$</th>
<th>T value</th>
<th>$R^2$ square</th>
<th>$R^2$ linear</th>
<th>F</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive</td>
<td>.51</td>
<td>8.67***</td>
<td>.191</td>
<td>n.s.</td>
<td>35.02</td>
<td>.000</td>
</tr>
<tr>
<td>Non-Engaging</td>
<td>.32</td>
<td>5.70***</td>
<td>n.s.</td>
<td>.209</td>
<td>39.92</td>
<td>.000</td>
</tr>
<tr>
<td>Enhancement</td>
<td>.32</td>
<td>5.82***</td>
<td>.679</td>
<td>n.s.</td>
<td>202.94</td>
<td>.000</td>
</tr>
<tr>
<td>Functionality</td>
<td>.14</td>
<td>2.75***</td>
<td>.632</td>
<td>n.s.</td>
<td>188.31</td>
<td>.000</td>
</tr>
<tr>
<td>Devalue</td>
<td>.34</td>
<td>4.87***</td>
<td>n.s.</td>
<td>.601</td>
<td>150.01</td>
<td>.000</td>
</tr>
<tr>
<td>Illegitimacy</td>
<td>.21</td>
<td>4.50***</td>
<td>n.s.</td>
<td>.320</td>
<td>84.38</td>
<td>.000</td>
</tr>
</tbody>
</table>

* p<.05; **P<.01, ***p<.001
Chapter Eight - Sensemaking Context and Change Interpretation

Table 45 depicts the effect of the perceived image gap on the interpretation of change. It can also be concluded that this sample confirms the results obtained with the previous sample on the relationship between the perceived discrepancy of the present identity/desired future image and the interpretation of change as attractive and non-engaging. The results indicate that there is an inverted U-shaped relationship only between the wideness of the perceived image gap and the enhancement of the future identity of the organisation but not between the perceived image gap and the perceived functionality of the change. This finding is a logical one since an attractive image gap can motivate employees to perceive the future of the organisation in attractive terms but not the functionality of the change. For such perceptions, it would need something real and substantial to have changed and not just the symbolic representations of the organisation (Ashforth & Mael, 1996).

Table 45. Regression results of the effect of image gap onto the interpretation of change

<table>
<thead>
<tr>
<th>Variable</th>
<th>β</th>
<th>T value</th>
<th>R² square</th>
<th>R² linear</th>
<th>F</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive</td>
<td>.33</td>
<td>6.55</td>
<td>.19</td>
<td>.614</td>
<td>72.01</td>
<td>.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>122.23</td>
<td>.000</td>
</tr>
<tr>
<td>Non-Engaging</td>
<td>-.38</td>
<td>-.5.53</td>
<td>.171</td>
<td>.447</td>
<td>68.05</td>
<td>.05</td>
</tr>
<tr>
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<td></td>
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<td></td>
<td></td>
<td>103.54</td>
<td>.000</td>
</tr>
<tr>
<td>Enhancement</td>
<td>.27</td>
<td>4.96</td>
<td>.021</td>
<td>.046</td>
<td>8.31</td>
<td>.05</td>
</tr>
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<td></td>
<td></td>
<td>11.12</td>
<td>.000</td>
</tr>
<tr>
<td>Functionality</td>
<td>.07</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
<td>n.s.</td>
</tr>
<tr>
<td>Devalue</td>
<td>-.26</td>
<td>-3.81</td>
<td>n.s.</td>
<td>.580</td>
<td>112.45</td>
<td>.000</td>
</tr>
<tr>
<td>Illegitimacy</td>
<td>-.18</td>
<td>-2.96</td>
<td>n.s.</td>
<td>.457</td>
<td>94.82</td>
<td>.000</td>
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8.5. DISCUSSION

The findings obtained from this last case study, reaffirm and confirm the proposed model of the sensemaking of episodic transformational change. The present case study has shown that even in organisational contexts familiar with the notion of competition and reaction to industry demands, employees interpret and make sense of change using approximately the same sensemaking process with those belonging in contexts implementing transformational, strategically orientated change for the first time.

It has been shown that organisational identity is a particularly powerful cognitive schema that has both positive and negative consequences. Identity provides an important psychological anchor in times of transformational, large-scale change or in times of threat to the organisation (Albert & Whetten, 1985; Nadler & Tushman, 1988). Also,
organisational identity has been shown to spur employees to seek solutions to issues that threaten that identity (Dutton & Dukerich, 1991). The role of organisational identity in changing environments is not entirely positive, however, because it was shown that organisational identity patterns employees’ perceptions (Dutton & Dukerich, 1991; Fiol & Huff, 1992), it affects organisational interpretation and constrains organisational action and change (Fiol, 1991). It is also apparent that changes that may be perceived as devaluing organisational identity are particularly problematic because identity schemas’ influential effects are often outside of conscious awareness (Fiol & Huff, 1992).

It was further proposed that as a consequence of its interrelationship with image, organisational identity becomes dynamic and malleable allowing a response to the demands of the environment that is itself undergoing continuous change. If the existing identity cannot be altered in some way, organisational adaptation and change is unlikely to succeed. Existing identity can become dynamic through a mutually influencing relationship with image. Organisations frequently create and project a visionary projected future image when they design and launch a planned organisational change effort as an impetus and a guide for achieving some desired revision in how the organisation operates (Gioia & Thomas, 1996). Such images, which include symbolic representations of desired future states that combine present and past views, demand the reexamination and modification of current identity. This reciprocal process of projection and modification accounts for the effect of perceived external image on employees’ interpretations of change observed in all four case studies presented in this thesis, both qualitative and quantitative. Without this mutually influencing process, an organisation would find itself trapped with an inevitably stable identity, unprepared to address demands that might have survival implications.

It has also been shown that the internal sensemaking context, especially its dimensions of learning, communication flow, trust and employee development, affect the activation and salience of schemas denoting the attractiveness of the present/desired future organisational identity and image and inform sensemaking and action regarding transformational organisational change. In this sense, it can be argued that the internal context of the organisation manifests itself in the sensemaking efforts of organisational members.

Finally, the proposed framework provides support for a cognitive explanation for the shortcomings of transformational change efforts in episodic change settings, and articulated a new way of thinking about the implementation of identity change.
Substantially wide identity gaps provide the required stability to minimise cognitive opposition yet introduce enough stress to overcome cognitive inertia. Medium identity gaps allow for the destruction of undesirable or outdated organisational identity attributes without creating massive upheavals that could destroy desirable intangible current attributes. The only prerequisite for the action of identity gaps is that they need to be perceived in attractive terms, that they try to instil an attractive future identity and image in comparison with present identity. In this way, organisational change via medium identity gaps provides for swift organisational responses while maintaining a requisite level of stability necessary for employees' to maintain a sense of psychological balance. The finding that transformational change is actually realised through middle order identity changes provides evidence that at the micro level episodic changes are realised through moderate and ongoing adaptation and adjustment. What looks like episodic and discontinuous from a macro level of analysis is actually the result of the implementation of middle order changes. In this sense, organisational transformation is not achieved by episodic but by cognitive adaptations. This kind of change implementation resolves the paradox of forces for stability and constant change inherent in turbulent environments (Jelinek & Schoonhoven, 1990) by providing the mechanism for continuously changing organisational identity without fundamentally destroying it. In the intersection between episodic and emergent changes, realised changes are generated.

8.6. CONCLUSIONS FROM CHAPTER EIGHT

One implication of the proposed framework is the need to devote attention to both the content of organisational identity and the process of changing organisational identity under various environmental contexts. A failure to consider these implementation issues is likely to threaten an organisation's survival in the 21st century. With the present questioning of the alleged enduring character of organisational identity, an attempt has been made to advance its conceptualisation in a way that better represents the essential nature of perceptual and realised life in organisations. The concept of identity is key to understanding modern organisations. In fact, acknowledging the interrelationships among identity and image allows the recognition that it is the very fluidity of identity that helps organisations adapt to changes. Accordingly, a concern of theorists and researchers is no longer solely the study of an enduring organisational identity but also a concern for the implications of a flexible identity.
Furthermore, the notion of moderate identity gaps as moving forces of change proposes an additional perspective on organisational transformation that avoids the assumptions that have characterised episodic change perspectives as it focuses on the micro level changes that employees enact as they make sense of and act in the world. The cognitive barriers of the self-fulfilling nature of identity affords an analysis of organisational transformation that is moderate, ongoing and grounded in everyday sensemaking.

The necessity to change in order to adapt, but nonetheless to retain a sense that identity stays the same, has been argued by Gagliardi (1986). In this sense, the strategic concern of management is no longer the preservation of a fixed identity but the ability to manage continuity and discontinuity and inspire a flexible identity (Gioia et al., 2000). Furthermore, this can be achieved in an internal organisational context that creates and promotes a wise organisation (Senge, 1990). This involves critical reflection upon the nature of the various organisational concepts that form the basis of organisational identity as part of an ongoing learning process and in a context that promotes and reinforces communication and involvement as well as feelings of trust and employee development. In this sense, the flexibility in identity could be facilitated leading to adaptability.

The thesis so far has presented an extensive analysis and exploration of the notion of identity change. The next chapter will attempt a synthesis of the findings presented so far and it will constructively revisit some of the main theoretical and practical implications arising.
Reflecting
CHAPTER NINE

DISCUSSION

9.1. OVERVIEW

The aim of this final chapter is to wind down, to integrate the analyses and to consolidate the conceptualisation of transformational change elaborated so far. As such, it is difficult to discern whether it should read as a beginning or an end, so it is concluded that it is perhaps more appropriate to treat it as both. In this vein, the chapter begins as a conclusion to the work, and ends as the beginning of a theoretical understanding of organisational change, keeping in mind that this is also a contribution to meso paradigm thought in general.

The thesis has covered extensive ground and there is concern that during the whirlwind of ‘exploration’ one may have lost track, at points, of the essential crux of the argument. In light of this, the chapter begins by recapping briefly on the central themes of the thesis. From here it moves on to integrate the analyses in connection with a detailed discussion of questions they were designed to address. Next, the theoretical insights generated by the analyses coupled with a discussion of the practical recommendations they afford are presented. Lastly, the chapter concludes with a discussion of the sensemaking context that facilitates the process of transformational change. With this brief introduction then, the end begins.

9.2. RECAPPING THE THESIS

Explaining how organisations change has been a central and enduring quest of scholars in organisational behaviour and many other disciplines. It has also been the central quest in this thesis. To understand how organisations change, scholars have harnessed many concepts, metaphors and theories including punctuated equilibrium, continuous change, stages of growth, population ecology, functional models of change, and chaos theory, among others (Morgan, 1986; Van de Ven & Poole, 1995). This variation has created a theoretical pluralism that has provided a more comprehensive understanding of
organisational life and has uncovered novel ways to explain some organisational change processes.

At the same time, the diversity of theoretical perspectives often encourages compartmentalisation (Gioia & Pitre, 1990) and brings into focus contrasting worldviews of organisational change. However, integrating otherwise divergent views provides opportunities to develop new theory that has stronger and broader explanatory power than the initial perspectives. Whilst integration is desirable it must nonetheless preserve the distinctiveness of alternative theories of organisational change. Such integration is possible if different perspectives are viewed as providing alternative pictures of the same organisational processes without nullifying each other. This can be achieved by identifying the viewpoints from which each theory applies and the circumstances under which particular theories provide interrelated insights (Van de Ven & Poole, 1988; Poole & Van de Ven, 1989).

This integrated approach which otherwise preserves the authenticity of distinct theories has been applied in this thesis by adopting Tushman and Romanneli’s (1985) episodic model of organisational change, namely the punctuated equilibrium model. It has been postulated that organisational change takes place in the form of occasional revolutions or punctuations after long stable periods of the organisation’s life, labelled convergence. However, the exploration of the notion and triggering of punctuations has mainly informed macro studies of long-term shifts in various industries. From a macro level of analysis, observers see what looks like repetitive action, routine and inertia dotted with occasional episodes of revolutionary change. But a view from closer in, the micro level of analysis, suggests moderate adaptation and continuous adjustment. However, relevant research so far exploring the micro level of analysis has been mainly focused on leaders’ (e.g., top management teams, chief executive officers) attempts to instigate transformational shift in the organisation’s direction, mission and values.

This thesis, however, has complemented both models (both the macro models of episodic change and the micro models of continuous change) by adopting a meso perspective (House et al., 1995) on the phenomenon of organisational change, mainly examining how lower levels of analysis respond to transformational changes initiated by the top management. According to this perspective, organisational transformation was not realised as a drama staged by deliberate directors with predefined scripts, or the inevitable outcome of an environmental and industrial logic, or a sudden discontinuity that
fundamentally invalidated the status quo. Rather, organisational transformation was seen to be realised through a moderate and ongoing process enacted by organisational members trying to make sense of and act coherently in the world. The perspective adopted here provides evidence that several important aspects of a transformed organisation are achieved not by episodic but by moderate and local adaptations. The proposed changes can be achieved not as radical or discontinuous events, but rather as series of moderate and ongoing adaptations and alterations that may enact sufficient modifications over time and achieve transformational changes. This was mainly supported by the finding that employees' cognitive schemas and their reframing influence the way change is perceived and enacted which can only happen through the perception of moderate changes. In this sense, organisational transformation depends on the cognitive ability of employees to understand, interpret as attractive and develop a new conceptualisation of the organisation as well as the ability of the schemas to be reframed. However, the existing conceptualisation of cognitive schemas as inherently self-reinforcing needs to be challenged in order to provide a comprehensive framework explaining cognitive reframing and organisational change. This issue will be addressed in Section 9.5. In this sense, in the intersection between episodic and emergent changes, realised and moderate changes are generated.

A meso paradigm view of organisational transformation has been argued to involve a cognitive reorientation of organisational members (Gioia & Chittipeddi, 1991) and it is in this attempt that employee cognitive sensemaking (Weick, 1995) becomes of critical importance. Moreover, sensemaking involves the structuring of the unknown (Waterman, 1990), in this case of the proposed organisational change, which will determine employees' interpretations of the intended changes that will create and legitimate their meaning (Dutton & Duncan, 1987). Employees' interpretations are crucial since the meanings attached to change guide their actions and reactions toward change (Daft & Weick, 1984). However, since research on the phenomenon of change interpretation from the employee viewpoint was novel, the first aim of the thesis was to explore how employees interpret transformational organisational changes that were proposed after long periods of relative stability (in accordance with the episodic model of change).

Since episodic transformational change involves employees' cognitive reorientation, it was necessary to further explore whether different kinds of interpretations and categorisation labels of change will be developed due to employees' cognitive
reorientations. Furthermore, since interpretations can be conceptualised as the outcome of the sensemaking process, it was judged necessary to explore employees' sensemaking processes involved in constructing possible and plausible interpretations of changes in the embryonic stages of episodic change programmes. In that sense, the investigation of employees' sensemaking process would provide an understanding about how employees respond to interruptions and punctuations initiated by top management.

The fundamental research questions were investigated during a case study conducted at a major British university undergoing episodic transformational change. Specifically, the transformational changes introduced at the university involved a strategic orientation and a corporate identity and image programme and required the rapid introduction of new systems and routines. The above changes were perceived as episodic and transformational as they were widely advertised and were introduced for the first time transforming the 'core' character of the university (Gioia et al., 1994; Balmer, 1995). The changes can also be characterised as punctuations since they were introduced after a long period of relative stability at the institution. The findings of the university case study developed a model of employee sensemaking of change which was further refined during the conduct of three subsequent case studies in industrial organisations. The three organisations confronted changes of the kind described above after long periods of stability, during which they had to change their whole orientation and direction as organisations. In that sense, all four case studies were judged according to macro criteria as appropriate to explore the way employees make sense and interpret episodic transformational change within their organisations.

The most clear finding of the university case study on employees' interpretation of change was the use of the attractive / non-engaging labelling categories. This is the most remarkable difference between the findings of the university case study and the existing literature on leaders' (top management teams, chief executives) interpretation of change which revealed the use of categories such as strategic / political or opportunity / threat categories. Employees' interpretation of change as attractive tended to revolve around perceptions of a desired future identity and image as well as an inadequate and inefficient present identity, supported by perceptions of change as being functional, possible and superior, enhanced by a general feeling of contextual (cultural) support. By contrast, non-engaging interpretations tended to revolve around perceptions of a desirable present identity and image which was devalued by the proposed change, and was further
perceived as a convention, impossible and illegitimate, enhanced by a general sense of not being supported by the organisational culture. However, even though this finding could be perceived as an artefact of the specific domain studied, its theoretical foundations suggest that these labels may well be used in multiple business contexts that face episodic transformational change since in all change situations image and identity are likely to exert major influence.

Furthermore, taken together the findings of all four case studies conducted provide strong evidence that employees' interpretations of change were guided by their salient organisational identity and image schemas. Employees' interpretations of change as attractive were mainly guided by their desired future organisational identity and image schemas. The salience of desired future organisational schemas indicated that employees exhibited a change in the content of their perceptual lenses, having incorporated the new provisional content determined by the change initiative into their identity structures. This was also highlighted by the strong positive relationships revealed in the three quantitative case studies between employees' perceptions of the attractiveness of the future identity and image and their interpretations of change as attractive. On the other hand, employees' interpretations of change as non-engaging were mainly guided by their desired present organisational identity and image schemas which they perceived as inherently attractive, and no proof of incorporation of the provisional identity content was obtained. This line of evidence suggests that under conditions of change, it is not only existing identity or image that affects interpretation but also those yet to be achieved. Finally, it suggests that favourable interpretations of change involve employees' cognitive reorientations.

9.3. MULTIDISCIPLINARY APPROACH ON ORGANISATIONAL CHANGE

It has been argued extensively through the course of this thesis that the model of episodic change (Tushman & Romanelli, 1985) adopted here does not specify the interplay and the transition between the two periods of convergence and transformation leaving unspecified the process that gives rise to transformations. According to the argument of this thesis, this was mainly due to the macro perspective adopted by most of the studies trying to explain organisational change. The meso paradigm (House et al., 1995) adopted here however, argues that since organisational transformations are based on employees' cognitive reorientations it is necessary to specify the dynamics that guide employees' cognitive reorientations. Trying to explore the process of transformational change and cognitive reorientation, the perspective of trialectics on change was adopted, which is also
supportive of the thinking that is found in other dynamic models of change (Gersick, 1991). This thesis provided evidence that the combination of the framework of trialectics and episodic change had implications for the understanding of the process of change, resistance, and the language of change. Each of these is discussed next.

9.3.1. The Change Process

According to the framework presented here and in accordance with trialectics, change occurs through attraction. This thesis provided evidence that employees will work toward the accomplishment of a vision by which they are inspired and which they interpret as attractive. In this sense, the empirical evidence presented here suggests that transformational changes and cognitive reorientations occur not just because of some internal struggle and are not realised through replacement as indicated by employees' unthreatened perceptions of continuity (see also Chapter Two, Section 2.3.2.3) as argued by the classic models of episodic change. Transformational changes occur by virtue of one point's attraction to other possible points and result from something being 'pulled' or attracted to different possibilities, as argued by trialectics and 'realised' models of change (Ericson, 2001; Senge, 1990). These different possibilities may be stimulated by apparently external forces, (i.e. as in the case of introduced change programmes inspired by the top management) but their origins are contained within organisations and it is their interpretation by employees that actually produces change.

The model of change sensemaking developed during the university case study provided explicit evidence that employees' cognitive reorientations (i.e. identity change) which are necessary for organisational transformations occur through attraction to different new possibilities. Employees were willing to accommodate the proposed provisional content into their identity structures and accordingly change their current identity content by assessing the attractiveness of the provisional identity content. The attractiveness was assessed by evaluating the content guided by the identity principles (Breakwell, 1986) of distinctiveness, efficacy, esteem, and continuity. Employees who were attracted to the provisional content of identity, accommodated its new elements into their identity structures and interpreted change as attractive.

49 If changes were realised through replacement employees would have perceived a disruption in their sense of continuity. The results of the university case study however, indicated that employees who interpreted change as attractive did not perceive major disruptions at their sense of continuity and integrity of their identity.
The idea that change can occur through attraction is well founded in the literature of organisations. Motivation theories are based on the premise that people will work toward valued or attractive outcomes. The findings of the present thesis indicate that the provision of a possible attractive future identity is enough to inspire and motivate employees to work toward this end. Writings on the role of vision in initiating organisational change confirm this finding (Fombrum, 1996; Fombrum & Shanley, 1990). Research on goal setting (Locke & Latham, 1990) also seems consistent with a framework of attraction. Finally, Dutton et al (1994) argue that while changing conditions affect employees' perceptions of their organisation, the revision of their perceived organisational identity will result after having established the attractiveness of the perceived future organisational identity.

The results from the case study indicated that employees analysed the proposed changes by establishing (a) the desired result, (b) the active and attractive forces, and (c) the process that could relate the two forces and produce the desired result as indicated by trialetics (Ichazo, 1976). When employees felt for example that there is a need for being more competitive as an institution, this need was in the attractive position and the need for a change was active. A suggested function joining them was the readjustment of academic and research programmes and the result was satisfaction because the change initiative enhanced the value of their feelings of efficacy (or esteem and distinctiveness). After this, the feeling of efficacy became the active element while the feeling of satisfaction was attractive. The function connecting them was accommodation of the new programmes and the result was a satisfied organisational member. Moreover, applying the active-attractive elements at the process of change as a whole, it can be argued that in the case of change, the unknown prospective positions, the different possibilities and even employees' feelings of puzzlement are in the attractive position and the mind is active. The function joining them is the process of sensemaking and the result is an understanding of the proposed possibilities. This is a creative process and continuous process.

Furthermore, the university case study revealed that employees perceived a number of different functions that related the result to what was active and what was attractive. For example, some of the different functions that employees perceived linking the active force of change and the attractive force of reputation was readjustment of research activities, pursuit of external funding, partnerships with industry, and understanding the industry needs. In other words, in the case of enhancing employees' value of their perceived
membership as the desired result, there were many things that were active (e.g., need for change, need for comprehension, need for exploring the existing possibilities) and attractive (e.g., external funding, readjustment of research programmes, partnerships with industry). In this respect, a variety of change possibilities can be created depending on which active and attractive could be chosen, and which function will relate them to each other. It is possible thus to create different possibilities and relationships and to explore their implications rather than getting employees simply to accept the views of top management. What may restrain change is not the inherent structure of things, but the ability of change agents to create and generate.

9.3.2. Resistance

One of the central concepts in the conceptualisation of change is resistance (Burnes, 1996) based on the idea that there is opposition against change. This opposition can be overcome through replacement (as in formal logic) or it is considered as part of the system (as in dialectics) and can be overcome through some form of resistance-reducing mechanisms (Kotter & Schlesinger, 1979).

However, from the standpoint of the present findings there is no resistance (as in trialectics). Employees failed to support the proposed change as there was nothing active/attractive in the change or a desirable function that related what was active and attractive to the desired result was missing. It was not that employees were resisting, they simply were not engaged in the proposed change as they were attracted by another future state and were acting in ways that were consistent with what they did see as attractive.

The idea of active-attractive suggests that the effectiveness of transformational changes lies in offering something that corresponds to what is active, making the change attractive or establishing a function that relates what is active and attractive to the desired result. For example, employees of the university case study indicated that when the need for change was active, reputation was attractive, and the desired result was enhanced visibility, the function that related them could be a special partnership-related external communication programme. Under this combination, there were employees who would not support the change no matter how important it was, if there was no active concern about it.

Organisational change occurs only when employees are active (i.e. ready) for the change, and change agents cannot make a change attractive. Furthermore, there were others who would not support the change because the communication programme was not offered.
Only with the offer of the communication programme might these employees see that they could enhance their reputation and look good under new work arrangements. In this sense, employees can become engaged to transformational changes when a possible future has been created to which they are attracted and which relates them to (i.e. it gets them active toward) the desired result.

Therefore, according to the present framework resistance is not that an organisational paradigm is opposed by another, but that things are pulled in different directions and are related through different functions. In this case, employees are seen as being attracted to different possibilities rather than being opposed to one side or the other.

9.3.3. The Language of Change

The present analysis according also to trialectics suggests a language of attraction, relationship and possibility. Changes occurred by virtue of the relationship and function between them, and there were many things that were possible and attractive. In this sense, change starts from an assumption of possibility, relatedness and attraction and not with an assumption of conflict and opposition. The later would provide a rich vocabulary of power metaphors (e.g., force, compete, convince, overcome, impose) and would assume that employees must be sufficiently dissatisfied before change can occur (Beer, 1980). It would also imply a major disruption in employees’ perception of the organisation which was not supported for members who interpreted identity as attractive.

The present work recognises that the university at the macro level and its members at the micro level are attracted to other future forms and that they will move toward those as the current set of relationships shifts. It would also propose that the attraction to any particular future is simply one possibility, not the only one, and that other possibilities are attractive to different people. The challenge, therefore, is to create the possibility of a new attractive and intended future point and then to relate (i.e. functions) members’ actions as contributions to its accomplishment (rather than try to convince them of its importance). In this way, engagement, as compared to compliance, becomes the basis for participation (Evered & Selman, 1989). Moreover, the proposed change is not perceived as a devaluation of the existing organisational paradigm which would motivate them to affirm the past and the present, but rather it inspires them toward an attractive future, with an opportunity to be active in its fulfilment (Ford & Ford, 1994).
Under these conditions, it would be inappropriate to say that all employees within an organisation confront the same changes and that some choose not to adapt or are resistant. When a change is introduced, employees pay attention to those dimensions of the proposed change that are attractive and ignore the others. It is not that the employees are resisting, it is just that there is nothing that is active toward some organisational changes. Rather, it would be more appropriate to say that different things are active, thus making different events in an organisational change programme attractive. This type of reasoning is similar to Weick's (1979) concept of enactment.

Summarising, the findings presented so far provide a framework that tries to explain why employees appear not to engage themselves to organisational changes. However, the question remains of what is the main force that specifies which things are active and guides employees' attention to the perceived attractive dimensions of organisational change? The findings of the university case study indicated that even when the need for change was active for several employees, reactions towards the proposed attractives were not uniform. Employees perceived different results as attractive even though the same active was in action. An explanation is needed however for the emergence of these differences. The present work was revealing regarding what makes changes active and what guides employees' perceptions of the attractive dimensions of the change and it is toward this point that the discussion now turns.

9.4. IDENTIFY AS PERCEPTUAL FRAME

Employees do not confront organisational environments which are known independent of their frames. Rather, they construct environments through their frames and cannot know an environment other than that which is of their frame. Frames are cognitive structures people use to impose structure on, and apply meaning to, some particular domain and in this case, change. They form the context and enabling grounds within which construction occurs (Harris, 1994) as well as the bases for punctuating, bracketing, decomposing, composing, and sorting (Thomas et al., 1993). Cognitive frames explain how individuals selectively perceive, evaluate, and interpret attributes of the environment. The university case study provided strong evidence that employees make sense of change within their organisation through the perceptual lenses of their organisational identities. Employees' perceptions of their organisation affected their interpretations of the new information regarding the change initiative and, ultimately, the way they interpreted change. In the language of trialectics, employees' perceptions of their organisation affected their
perceptions of what they considered as attractive inducements or their insights of whether the established functions related what was active and attractive to the desired result. For example, employees who viewed change through the lens of a desired present organisational identity were mainly looking for functions that would make the present organisational character and its end state more attractive. When the need for change was active and the enhancement of reputation was attractive, a desired present organisational identity emphasising the value of fundamental research would not permit the perception of readjusting the research goals toward more applied research (function) as appropriate. Consequently, the change would not engage organisational members in its realisation.

As it was stated in Chapter Three, (Section 3.2) the concept of organisational identity refers to perceptions of a self-fulfilling, relatively stable and enduring feature of organisations. However, evidence was provided during the present research that employees who interpreted change as attractive had developed a new way of understanding and perceiving things. Employees' experimentation with the provisional future identities proposed by the change was based on assessments of the feasibility and attractiveness of the provisional future. When the outcome of this assessment denoted that the provisional future identities enhanced employees' perceptions of their organisational identities then they were willing to incorporate the provisional content into their identity structures constructing more elaborated future identities that could guide attractive interpretations of the new organisational paradigm. In other words, a desired future organisational schema motivated attractive interpretations of change and suggested that cognitive reframing had been initiated.

In general, favourable interpretations of organisational transformation implied a revision in the interpretative schemas of all organisational members and any major change had to be accompanied by a significant alteration in the overall perception of the organisation (Fiol, 1991). In this sense, organisational transformation necessarily involved reframing, that is a qualitative and 'second-order' shift in employees' understanding (Bartunek, 1989). The present thesis therefore suggests that under conditions of transformational change it is necessary to reconsider the assumed durability of identity although most writers have assumed conditions of relative stability to the notion of identity. However, given the self-referential character of present identity conceptualisations, how does reframing occur denoting a dynamic and malleable conceptualisation of identity? How do employees impose a different and new lens on seeing and understanding organisational...
issues? Can reframing occur in an episodic way? Yost and Strube (1992: 110) concluded that “although we know what the self becomes, we lack an understanding of how the self becomes”. The discussion so far suggesting that identities crafted at the early stages of transformation are provisional constructions that must be revised and assessed for their feasibility and attractiveness suggests characteristics of identity evolution and change that have been relatively neglected. Moreover, the findings of identity and image as they relate to organisational transformation were also revealing in understanding how identity changes allowing the development of new understandings. Finally, the findings on identity gap were revealing in understanding the tempo of identity change (see Section 9.6).

9.4.1. Identity Interrelationships With Image

A major finding of this thesis was that employees used not only their perception of the organisation's identity but also of the organisation's construed external image to make sense of change. The university case study made apparent that employees' perceptions of the future image of the institution also guided their interpretations of change. The role of perceived future image in almost half of the cases was to underline the inadequacy of perceived present identity and generate a discrepancy between present identity and future image and a subsequent tension that was solved by producing identity change. However, in the other half of the cases, perceptions of future images delineated the attractiveness of the present identity and were not able to pull the identity into an attractive future end-state. The attractiveness of present identity was further enhanced by employees' perceptions of desired present images.

It is implied therefore that even that which is usually presumed to be essentially enduring (i.e. identity) might instead be fluid and malleable due to its close interrelationship with image. It is further suggested that an influential avenue to a changed organisational identity is a changed image mainly framed in idealistic, attractive and aspirational terms. Perceptions of an attractive future image that employees can associate with would help them to articulate change in desired terms and would ease the launching and eventual institutionalising of transformational change. This implication not only portrays identity and image as fluid; it also portrays organisations as more capable of change than is typically assumed (Gioia et al., 2000).

It must be mentioned that existing organisational theories have viewed identity as somewhat changeable, typically over a long term (Albert & Whetten, 1985) or as an
incremental adaptation to deteriorating image over time (Dutton & Dukerich, 1991).
However, the kind of transformational changes presented here demand of academic
institutions especially and modern dynamic organisations in general to alter aspects of
identity and image within dramatically shorter time horizons. Consequently, the
conceptualisation of identity should include dimensions that account for the ability of
organisations to learn and change quickly.

Given the findings about image, should a conclusion be derived that organisations that
engage in transformational change are likely to move from a focus on substance to a focus
on image (Alvesson, 1990)? Perhaps, but it is important to note that there is a significant
link between substance and image since achieving an improved image fosters substantive
improvement. The progression, therefore, might not be simply from substance to image
but, rather, from substance to image to substance, as employees seek congruence between
the two (Gioia & Thomas, 1996). It is established therefore that organisational identity and
change are not independent since substantive organisational change implies a shift in the
cognitive lenses used not only to reflect but also to guide the changing organisation.
Employees can induce identity changes by working toward the desired future image that
may introduce a paradox within organisations, that is a discontinuity between the existing
and the future identity of the organisation.

9.4.2. Paradox as a Requirement for Change
Following the same line of argument, since employees construct their organisation
through their frames and cannot know their organisation other than within these frames,
the introduction of a new conceptualisation of reality via the creation of new images
(Gioia, 1986) generates distinctions and discrepancies (Van de Ven & Poole, 1988). When
these discrepancies are made manifest, a sense of paradox may emerge. This will
challenge existing frames and produce tensions. Such tensions supply the energy
necessary for change (Higgins, 1987; Jantsch, 1975) and may produce transformational
shifts through cognitive reframing. Section 9.7 will try to explore whether
transformational shifts will be accepted or not. However, because of the self-referential
character of organisations and their identities it cannot be predicted at this point whether
transformational change will be accepted.

How does all this occur within organisations? Organisations, as social constructions,
reflect systems of relations: they do not exist in concrete form as 'things' (Briggs & Peat,
1984), but they are understood (i.e. constructed) through the semantic framework of metaphors and symbols. This implies that changes can occur by changing metaphors and symbols since altering metaphors and symbols changes the relation and the meaning attached to them rendering the symbolic action of management is simultaneously symbolic and substantive (i.e. Pfeffer, 1981). In this sense, it is through symbolisation that the new possibilities may be understood (see also Chapter Three, Section 3.4.2).

When employees are called to make sense of change, they use different underlying metaphors and symbols than the management who introduces the change. In socially constructed entities, as in the case of organisations, these differences in language, symbols and metaphors come into proximity and produce tensions due to social interactions. Interactions involve monologues or dialogues where the construction and framing of reality and the construction of distinctions are made through the process of argumentation where employees advance, support, modify, and criticise others’ constructions. During this process, therefore, discrepancies can be created and paradox can be instigated through the management of new metaphors and symbols. This implies that if realities are constructed and paradox is a function of how construction is accomplished then it is possible to motivate organisational change through the creation of paradox since it provides the energy for change.

Management is bound by the discrepancies it introduces and adheres to, yet free to engage in the making of other distinctions that have been negated or lost through the failure to synthesise. Management therefore, is involved not only in the resolution of tensions, but also in their creation and perpetuation. Indeed, it is the creation of paradoxical tension which serves as the basis for change, it is through metaphors and symbols, that the possibility for transformation exists. For this reason, managers should give greater attention to the processes by which realities are constructed since it is through the alteration of these processes that distinctions are created and the potential for change occurs. Organisational transformational change, therefore, involves a change in identity (Morgan, 1986) possibly through the establishment of paradox (Cameron & Quinn, 1988; Ford & Backoff, 1988).

This thesis has revealed the presence of paradoxes associated with employees’ interpretation of organisational transformation. It was found that the presence of paradox was central in explaining how an institution introduces change. Cameron (1986) also reported research on colleges and universities in which paradox was found to be central in
explaining how institutions overcame decline and improved in effectiveness. He argued “Organisational effectiveness is inherently paradoxical. To be effective, an organisation must possess attributes that are simultaneously contradictory, even mutually exclusive” (p.87). The university case study afforded the following conclusions regarding the way employees interpreted change in support of the paradoxical nature of organisations.

- Employees believed that management paid a great deal of attention to symbols as well as substance. On the one hand, structural, personnel, and curricular changes were instituted, so that the basic fibre of the institution was altered. On the other hand, substance was ignored in favour of image. Much energy was perceived to go into helping employees interpret events favourably. The management of symbols and interpretations was perceived to be a critical one for a favourable interpretation of change.

- The core and central character of the institution was perceived to be reinforced and perpetuated (the institutional roots were strengthened), but at the same time innovations and creative activity helped change the character of the school. The simultaneous destruction and creation processes guided the interpretation of change as attractive.

- The distinctive character of the institution was perceived to be reinforced by creating distinctions and relative differences against similar referents. At the same time however, change processes were perceived to emphasise mimetic behaviour as a way to achieving a distinctive and desired future identity and image. These mimetic efforts raise also the caution about using a definition of identity as that which is ‘distinctive’ since they diminish and do not foster distinctiveness, at least within the context of transformational change. The present findings did not indicate whether employees intended to distinguish their organisation along some special lines of difference with the elite group, which can be the focus of future research.

- Finally, employees perceived the central character of the university in very concrete and discrete terms. At the same time however, it maintained an ambiguity in employees’ perceptions to allow a number of interpretations to arise. In this sense, employees’ themselves could attribute attractive characteristics to the ambiguous symbols of change interpreting change therefore as attractive.
References

Finally, the findings of the present thesis regarding the existence of paradox inherent in organisations as well as employees’ perceptions indicates that organisational theory and research can not ignore this phenomenon if they are to explain organisational change adequately. Moreover, it is suggested that the introduction and manipulation of symbols play a significant role in the creation and maintenance of the organisational paradox that facilitates change.

9.4.3. The Role of Symbolic Management

Symbolism refers to the symbolic portrayal of the organisation. Chapter Three (Section 3.2.4) argued that because of ambiguity, complexity, dynamism, and equifinality meaning is never self-evident. Thus, symbolic management involves selectively creating, highlighting, and interpreting events and plans to convey a desired future image and OI using categorisation processes under conditions of change towards which employees would be willing to work. As employees seem to gravitate toward self-aggrandising identities, symbolic management imparts a somewhat idealised or optimistic spin: it imparts not a literal reality, but a visionary one.

In this sense, managers may use categorisation processes for symbolic management and sensemaking, with respect to helping employees inside the organisation make sense of how their organisation may change. Selective categorisations and interorganisational comparisons can be powerful and flexible tactics for organisation and its members to maintain positive identities. By selectively directing and focusing attention, categorisation processes heighten the salience of some dimensions while deflecting attention away from others. They can be used therefore to influence perceptions of positivity and negativity, similarity and dissimilarity, uniqueness and distinctiveness, or commonality and difference. Furthermore, managers may use categorisation processes following transformational change to reinvent or rediscover their organisation’s identity and consequently help employees to change or reshape their identities. “Top management must use information that is generated by transformational change when trying to discern the true new shape of the company... It must be a realistic picture grounded in the company’s distinctive competencies – existing ones or new ones that are already being developed... Getting through the period of immense change requires reinventing – or perhaps rediscovering – the company’s identity” (Burgelman & Grove, 1996: 20).
The university case study (as demonstrated by the document analyses and the interviews with the board responsible for the design of the change) revealed the use of certain symbolic practices that could help the construction of meaning for the new organisational paradigm. These included developing a mission and vision statement, developing desired future images, presenting stories and traditions that embody and aggrandise OI, framing strategies and acts in terms of the OI (regardless of their actual origins), using idiosyncratic language and metaphors, and modernising the organisation name and logo. Symbols then facilitated employees' favourable interpretations of change when they were perceived as including references to the history and traditions of the organisation even when the purpose of the change was to inspire a clear break from the past. Further, symbols were perceived to convey socially desirable beliefs and values and were even used to gloss over contradictions or divergent perceptions and preferences and to mediate gaps between existing and desired identity.

The findings on the role of symbolism on the facilitation of identity change generate a number of questions for future research. Is the degree to which employees accept the discontinuity associated with organisational transformation related to the source and type of symbolism used to introduce the change? How is the use of symbolism tied to employees' acceptance of organisational change efforts? What are the crosslevel and/or multilevel manifestations of the symbolism-acceptance relationship? Do the characteristics of the top management team or new ad hoc organisational structures facilitate the acceptance of symbols of change? What is the role of structural symbols (e.g., a visible task force) as catalysts for institutionalising organisational change? Mumby (1988) argued that cognitive structures in an organisation are most often the product of vested interests. This suggests that certain groups or organisations will want to reproduce dominant belief systems while others will want to create or import other belief systems (Scott, 1991) that would facilitate change rather than perpetuate the status quo.

Understanding the role of symbolism across the spectrum of change processes and goals would provide further insight into the initiation of effective organisational transformation.

9.5. THEORETICAL IMPLICATIONS OF ORGANISATIONAL IDENTITY CHANGE

The findings, especially those concerning the paradoxical perceptions of centrality, continuity and distinctiveness have major implications on the way identity is conceptualised. The seminal definition of organisational identity proposed by Albert and
Whetten (1985) suggest that identity refers to the central, distinctive and enduring character of the organisation. The preceding discussion however, strongly suggests that because of the interrelationships between identity, image and symbolisation the conceptualisation of organisational identity as enduring becomes problematic, especially under conditions of transformational change. Furthermore, because of the mimetic behaviours used in the construction and revision of OIs, the conceptualisation of identity as distinctive becomes also problematic. Accepting the socially constructed nature of organisational identity implies that the labels used to describe the core elements of identity are subject to multiple interpretations, which implies that even the core of identity can shift because of changing interpretations challenging thus the enduring conceptualisation of identity. When the same labels are used over time to describe core elements of identity it is presumed that identity is enduring (Gioia et al., 2000). However, because identity is a concept constructed and reconstructed by organisational members the assumed stability of identity is in the labels and not in the interpretation of the meanings that constitute the ‘core’.

The current findings that perceived organisational identity changes over relatively short periods of time as well as the fast pace of change and the changing character and form of modern organisations require a re-conceptualisation of the notion of organisational identity to account for the dynamism of identity. The theory on identity needs to account for the development of the ‘virtual organisations’ (i.e. temporary networks of people or organisations that come together quickly to accomplish a task and then dissolve). Similarly, the theory needs to account for corporations that outsource many of their operations, or organisations operating in volatile, hypercompetitive environments that seem to incorporate malleability into the definitions of themselves. These new ways of organising are characterised by an ephemeral character and capture organisational identity as a negotiated and reflexive concept that, at its essence, amounts to an organisational work-in-progress (Gioia et al., 2000).

Taking together the overarching implication of the present work is that organisational identity is inevitably interrelated with image and can shift relatively quickly facilitating transformational change due to demands in internal and external environments. In this sense, further research is required to account for the nature of modern and post-modern organisations. Research is required to provide a better understanding of the processes by which discrepancies between identity and different types of image are reconciled (Corley
The effect of frequent information that suggests organisational revisions on employees' adaptation needs to be investigated. In addition, further research is needed on how employees work to maintain continuity in the interpretation of identity in the face of the increasing influence of an image-dominated environment (Alvesson, 1990).

Moreover, recasting identity as a more dynamic concept implies that a major consideration for organisations might be the management of fluidity and malleability in identity, rather than trying to maintain and inspire an inherently coherent and stable identity. It is the management of the balance between stability and instability that could create a sense of adaptiveness, affording the organisation increased capacity for change, while maintaining a continuing sense of connection to central values. In other words, managers need to deal with the paradox that organisations must execute the balancing act of simultaneously changing while staying the same. Taking a fluid approach to identity implies that shifting and multiple interpretations must be reflected in the creation of identity and that a 'central' characteristic of identity might be its ability to shift and transform according to the context in which it is expressed.

Moreover, it could be argued that intentionally destabilising identity for the sake of instigating change is a viable recommendation for top managers in order to instigate transformational organisational change. However, this attempt needs to be guided by a compelling future image that remains sensitive to the maintenance of continuity in elements of identity that provide the necessary security to accomplish change.

Summarising the discussion so far, it is suggested that identity change is feasible and provides a different cognitive frame for the understanding and interpretation of organisational phenomena. It was further evident from the findings that the reframing process started with a particular trigger, a planned effort that generated provisional identities which rebalanced employees' current way of understanding their organisation. That is, this trigger indicated that this current understanding was either inadequate and/or inefficient and motivated its reinterpretation and relabelling. Perceptions of the organisation's desired external image and the introduction of new symbols played the role of the instigator which also indicated a way of understanding that was qualitatively different than the one currently used. Generally, the challenge to reframe understanding usually has to be very strong; once particular frames are developed, they tend to endure (Nystrom & Starbuck, 1984; Wicker, 1985). What happens after employees have perceived the inadequacy of current understanding? What is then the process that further
facilitates reframing? These questions have not often been asked. Crocker, Fiske, and Taylor (1984), and Markus and Zajonc (1985), for example, suggest that much less is known about processes of change in frames than about their structure. These questions form the basis for the discussion that will follow.

9.6. IDENTITY GAP

When the change initiative is introduced into the organisation, information about the change is generated in the form of provisional identities that will be used by employees to develop more elaborated future identities and consequently new understandings. This constitutes a form of preparation for reframing and rebalancing. In this way, information relevant to new frames develops. It was argued in Chapter Six that the development of new frames is based on the assessment of the feasibility and attractiveness of the proposed provisional identities. The result of these assessments can guide qualitatively different interpretations of change.

The proposed provisional identities generate a discrepancy between the current and prospective content of identity. Employees who perceived there to be a very narrow discrepancy between the current and the prospective, interpreted change as artificial which constituted a source of cognitive inertia. When the identity gap was too wide however, employees perceived the future as unattainable and felt unable to understand the proposed changes. Personal Construct Theory arguing that a failure to comprehend and cognitive opposition are two cognitive barriers against the realisation of change provides support for this finding. Only when the differences were perceived as moderate were employees able to make sense of the change and develop new understandings.

This framework provided a theoretical basis for moderate change processes in organisations. The perspective extends Quinn’s (1980) logical incrementalism framework by proposing not only the need for an underlying logic to guide the management of change over time, but also the idea that each step must introduce a moderate degree of change that overcomes cognitive inertia while avoiding cognitive barriers generated by episodic and radical changes. In sum, moderate change strikes a balance between insignificant and radical changes in organisational transformation, both of which are likely to be rejected, arguing for a framework of moderate and realised organisational change.

The present work has further shown that there may be a variety of beliefs and perceptions among employees within an organisation about its identity. This variety shows that change
may be comprehensible by employees in one part of the organisation but unacceptable for others. Employees who comprehend the change may become willing and able to implement the change. Demonstrated success in these areas subsequently may induce other employees to reconsider their concepts of desired future identity (a suggestion which is also supported by the discussion on paradox).

Finally, the degree of the discrepancy that is perceived as able to initiate identity change is likely to vary among employees across organisations. For instance, an organisation in which employees recognise a crisis may be willing to accept more change than one in which employees are satisfied with the organisation’s performance. Similarly, what is perceived to be moderate change in one organisation may be viewed as incremental change in other organisations, depending on employees’ interpretations of the situation. There is a need to further understand these issues.

It has been shown so far that the assessment of the perceived identity gap permitted or prohibited the development of employees’ new understandings. The stage however, that actually determined employees’ perceptions of the attractiveness of the future identity was simply the evaluation of the proposed provisional identity content, to which the discussion now turns. However, it needs to be emphasised that even though there is no question that change processes unfold, it is not necessary that these processes are linear. Even though the model presented here may seem to imply linearity, it does so for purposes of presentational clarity. What it is advocated is that organisational life is captured much more usefully and fully by models, theories, perspectives, or frames which emphasise flows rather than discrete events, sequences, or stages.

9.7. EVALUATION AND IDENTITY THREATS

It was extensively argued during the volume of this thesis that cognitive models explain how employees perceive but also evaluate and interpret attributes of their changing organisational environment in terms of their meaning for the self (Bandura, 1986; Mandler, 1982). The information processing guided by employees’ cognitive schemas went beyond the descriptive to the evaluative and employees interpreted their changing organisational environment based on socially constructed realities, shared generalities and person-by-situation interactions (James, James & Ash, 1990). Employees’ perceptions of organisations were not simply descriptive statements of organisational features, attributes, and characteristics but also valuations relative to organisational values, definitions and
meanings. In this sense, the provisional identities as proposed by the change programme had to enhance self-esteem if they were to be perceived as legitimate and as attractive. That is, they had to be perceived as “desirable, proper, and appropriate within some socially constructed system of norms, values, beliefs, and definitions (Suchman, 1995: 574).

The findings provide evidence that employees perceived the provisional identities and their concomitant prospective content as attractive and therefore interpreted change as attractive when it enhanced the value of their perceived organisational identity. In other words, an attractive change enhanced employees’ perceptions of their central and cherished identity dimensions, their sense of distinctiveness, efficacy, and their sense of continuity and did not refute prior claims of positional status. These principles (Breakwell, 1986) as well as employees’ claims of positional status specified the end states which were attractive for identity and determined whether the prospective content would be accommodated into the organisational identity structure. The most important finding regarding the identity principles that guided the assimilation of the new elements into employees’ identity structure was the one regarding the function of the continuity principle. Employees who interpreted change as attractive did not perceive a disruption in the continuity of their identities rather an enhancement as they perceived the prospective content to be a desired end state of their present identities. This was mainly facilitated by the introduction of ambiguity in the proposed conceptualisations of the organisation and especially its symbolic management which fostered consistency with and at the same time departure from the present. In this sense, this finding suggests that because employees evaluate the prospective content of identity according to the principles of continuity, distinctiveness, efficacy and esteem, attention should be paid in proposing changes that enhance the value of these identity principles. Going one step further though and incorporating the findings on the role of organisational paradox (Section 9.4.2) on change the aim of transformational change programmes would be to create a balance between continuity and discontinuity, distinctiveness and imitation in order to inspire employees towards the proposed provisional identities.

On the contrary, when the evaluation of the prospective content denoted that it devalues central and cherished identity claims as well as prior claims of positional status, change was perceived as non-engaging. The devaluation of the identity principles threatened the integrity of identity (Breakwell, 1986) and prevented them from accommodating the
prospective content proposed by the change initiative into their identity structures. The significance of the findings about the role of identity principles in assessing the value of the prospective content of identity and therefore in identity change rests on the fact that it provides empirical evidence about a significant factor that sparks the transition from convergence to transformational paradigm change.

9.7.1. Affirmation Processes as Coping Strategies

Employees who perceived threats in their organisational identities commonly used selective categorisations to reemphasise positive perceptions of their organisation's identities by highlighting identity dimensions and interorganisational comparisons not emphasised by the change initiative. These tactics functioned to deflect employees' attention away from threatened dimensions of their organisation's identity, rather than addressing threatened dimensions directly in order to defend, deny or justify the claims of the change as suggested by the impression management theory - and perhaps have to change their perceptions of the organisation's identity in response to it. The present thesis thus provides evidence that employees can attenuate or mitigate organisational identity threats simply by making salient other legitimate and competing dimensions along which the organisation should be evaluated or construed.

These findings may be an artefact of the type of event studied, that is a transformational and 'beneficial' organisational change generated internally and clearly different from other forms of negative external attribution (e.g., such as stock price forecasts or industry expert polls) that can threaten an organisation's identity. Yet, even though internally proposed without a visible external threat, the changes carried all the weight of a 'reality' that had important reputational and self-esteem implications for several employees who may had felt helpless to influence changes and may had perceived their identities to be significantly threatened by the change. At the same time, the proposed transformational changes did not threaten the legitimacy of the university but rather challenged employees' perceptions of the value and distinctiveness of their organisation's central identity dimensions.

Consequently, employees may have been more motivated to make sense of the changes to affirm their preexisting perceptions of their organisation's identity rather than to explain or justify the changes.

One of the most important findings concerning the use of affirmation processes came from several instances during the university study in which image-enhancing outcomes (e.g.,
positively promoting certain institutional and departmental attributes) were perceived by employees as identity-threatening because they implied that other central and valued dimensions of their organisation and their departments were unimportant or devalued. These results suggest that selective categorisation processes and self-presentational processes are distinct since employees affirmed their valued but neglected organisational attributes even when other attributes were praised and enhanced for the consumption of external publics. However, in most of the cases both motives are present (e.g., Tetlock & Manstead, 1985) as employees try both to reaffirm to themselves the organisation’s positive identity in the light of changes and enhance its image to external audiences.

Selective categorisation processes, when they are used by employees as part of organisational image management, are probably directed simultaneously at shaping and enhancing both their own and others’ perceptions of their organisation’s identity.

The findings of the present work are revealing of the use of affirmation strategies which indicate that further research is needed to explore the issue of employees’ responses and coping strategies toward identity-threatening events, especially in cases where the change is beneficial for the organisation. The finding that employees use identity affirmation strategies and even denial to resolve the dissonance created by change programmes provides evidence for the difficulty of implementing change of the core organisational attributes. However, future research should investigate in greater depth how employees respond to transformational organisational changes, since the focus of the present work was only on the adopted sensemaking processes. Consequently, the understanding of employees’ responses to perceived organisational threats as a result of transformational change will further support the design of successful change programmes.

9.8. IDENTITY CHANGE AND SENSEMAKING CONTEXT

The findings of the present thesis suggested that internal contextual features exerted considerable influence on the sensemaking process of change interpretation. Of these, the learning climate as well as features of trust and communication support played an important role in guiding sensemaking and identity change. The most important finding concerned the effect of the learning climate on employees’ willingness to develop new understandings and interpret change as attractive. It was suggested that a learning climate that promoted identity change involved a resynthesis or reintegration of the different aspects of the identity of employees (existing and provisional) in a way that defended against anxiety generated by the change discrepancies and satisfied the need for self-
esteem. Once more, and in accordance with the suggestions derived from the discussion on paradox and the mutability of identity, a learning climate that promotes identity change is open to others, uses doubt and ambivalence as a basis for learning and it promotes a changing and non-fixed identity.

Identity change requires genuine exploration and critical questioning of the ongoing viability of existing identity. This exploration involves the consideration of alternative future directions and involves a critical attitude towards the existing identity structure. Indeed, without content there is no internal need for change only the risk for maladaptation to environmental changes. Organisational learning that is transformative modifies the core of the organisation and its identity (Lundberg, 1989). Organisational transformation requires individuals and groups to develop alternative scenarios of the future relative to those that characterise the status quo that call into question the viability of existing identity. The process of learning thus depends upon an organisation’s ability to understand and manage discord.

A climate of organisational learning involves the reflexive consideration of what constitutes an organisational self. Learning is construed as an ongoing search for a time- and context-sensitive identity and it alternates through phases of exploration and commitment. Sometimes exploration of possible identities should be to the fore, whereas at other times commitment to one dominant identity for a period of time should prevail. Even during the commitment phase, however, a learning climate should encourage the exploration of the limits of identity. The exploration phase concerns the consideration of alternative future directions and involves a critical, reflexive attitude to the existing identity structure.

In this sense, the underlying task of management is to create a climate that encourages the balance between the discontinuity and continuity, between fragmentation and stagnation (Dimen, 1991; Mitchell, 1993). The goal is not to develop one lasting ‘core’ self but to harmonise a range of contradictory needs and desires. In this sense, one needs to encourage a more provisional identity, less foreclosed and more enabling of alternative futures, through cultivating empathy among the various manifestations of self. Crucial towards this direction is the development of a climate of trust in the organisation so that employees risk change because they come to trust the organisation to provide a remedy for the discrepancy and its associated negative affect and distress.
This can occur in a climate where employees can balance the need to feel they belong to an organisation without losing their identity when it changes so that they can work toward the new organisational goals that enhance their self-esteem. Self-esteem is maintained and developed by finding opportunities to express employees' self in organisational work that enhances the value of their perceived distinctiveness and efficacy, preserves a sense of continuity and is valued by salient others. Summarising, a learning organisation needs to promote employees' critical reflection about the various aspects of its identity and empathy about future identity in a way that the inertia imposed by employees' identities is understood and mitigated. Learning then depends upon the ability of the organisation to understand and accept its limits, deal with discrepancy and reintegration and negotiate identity change through its employees as part of its ongoing strategic development.

Having referred to the main findings and the theoretical implications that the present thesis bears on the field of organisational transformation and identity change and having discussed some of the limitations of the present thesis as well as points for future research where it was appropriate for the continuity of the line of thought and argument, there is a need to consider some further limitations of the thesis.

9.9. LIMITATIONS

The present thesis has modelled the process which employees from three departments of a major British university follow when making sense of episodic transformational change. The model was further refined and tested for its transferability in three different non-academic organisations. Being aware of the limitations of the researcher's own efforts and the limited focus of the university case study which constituted the basis for the development of the model of change sensemaking, certain issues must be considered when interpreting the results. These limitations need to be seen as a source of input indicating areas where further research is needed.

The present thesis tests the transferability of the sensemaking model in a number of organisations belonging in three different industries. However, future research should test the model in a comprehensive number of organisations from each industry before any conclusions can be derived for the generalisability of the model to different types of industries. Study of whole industries may also depict which characteristics of different
organisations in the same industry may influence employees' interpretations and
organisational perceptions.

Furthermore, future researchers need to recognise the need to use multiple sources of
information in each organisation under study and longitudinal designs if they are to better
understand the role of group processes in the interpretation and sensemaking efforts of
employees. Longitudinal research might also focus on elaborating the implementation
process of the change by concentrating on the process of widening and narrowing the
identity gap. Finally, the present thesis examines how employees make sense and interpret
transformational changes introduced at the organisational level, perceived via employees' 
organisational identities and images and denoting potential threats to these organisational
identities. Future research should further examine how employees make sense, interpret
and react to changes introduced to their professional identities and explore whether the
same variables and processes come into play.

9.10. CONCLUSION

Concluding, the general strong points of this thesis concern the following: (1) Employees
were actually observed interpreting change, meaning that the thesis did not rely on pre-
structured models of sensemaking and questionnaire responses for the investigation of the
interpretation labels employees use in interpreting change as well as the development of
the sensemaking process. (2) The strong statistical and practical significance of the
findings provided a more extensive insight into what shapes the sensemaking of
employees and, perhaps more importantly, point to a direction for future research inquiry.
(3) Support has been provided for the transferability of the sensemaking model of
transformational change in organisations belonging in three different industries.

The original premises and research questions for these integrated studies sought to explore
how organisational members make sense of their shifting environments in modern
organisations. The findings suggest that the interpretation and acceptance of
transformational organisational change require cognitive reframing. The requirement of
cognitive reframing implies that organisational identity is malleable, which means that
organisational theory needs a new conceptualisation of identity as malleable and mutable
and not as inherently stable. The reconceptualisation of identity is required if effort is to
be taken for the understanding of modern organisations, such as virtual organisations, as
well as organisational phenomena, such as outsourcing. Towards this direction, the above
discussion has argued that the reconceptualisation of identity could be facilitated by frameworks that acknowledge its close interrelationships with image and especially by linking organisational identity and social construction theory. Recognising the socially constructed nature of organisational identity implies that the elements of a core identity are subject to multiple and variable interpretations that give them their respective labels, which further implies that identity changes with changing interpretations.

The finding that cognitive reframing is at the heart of transformational change has major implications for the conceptualisation of change as episodic. Having adopted the premises of the episodic model of change as developed by a macro level of analysis, the present work advocates that from a meso perspective transformational change is not episodic but rather moderate due to the inherent impediments of cognitive reframing to occur in an episodic way. In this sense, organisational transformation is realised through a moderate process enacted by organisational members trying to make sense of and act coherently in the world. In the intersection between episodic and emergent changes, realised and moderate changes are generated.

Finally, the logic of the argument presented here suggests that the issue of how meaning is conceptualised in the study of identity and in research on organisational change in general, needs greater attention. Lundberg (1989) argues that organisations have three levels of meaning: (1) a manifest/surface level, (2) strategic beliefs, and (3) basic values and assumptions. It is argued here that there is a fourth level that fundamentally affects the processes and the outcomes of organisational change and is manifested, but in an indirect fashion, as perceived organisational identity. Organisational analyses that take into consideration this fourth level will have practical implications for more effective management practices, to the extent that they will demonstrate how increased self-awareness can promote critical reflection upon the limits of existing identity. If beliefs about organisational identity are ignored, identity can act as a barrier to the implementation of transformational organisational change that threatens it. However, if these implicit and taken-for-granted assumptions are surfaced and affiliated with change efforts, organisational identity can be a powerful source of leverage.
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PROFESSIONAL AND ORGANISATIONAL HISTORY

- How long have you been working here? Why did you choose this university? Like/dislike? Happy/unhappy?

CHANGE INSTANCES

- Which changes that occurred during the change programme do you consider more prevailing?
- Define changes.
- Indicate relevance and importance.
- Information on their identity and the impact of the change issues on it (function, department, institution).
- What do you think about the change?
- Do you consider it important / necessary?
- What caused the change / for what purpose?
- Who was involved?
- Who and what aspects promoted the change?
- Who and what aspects presented obstacles in the process and how?
- What could have been done to improve the change?
- How does it affect you?
## Appendix I: Coding Schedule

<table>
<thead>
<tr>
<th>Categories</th>
<th>Description</th>
<th>Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change Willingness</td>
<td>Did you want the organisation to change (why, expectations, etc.)</td>
<td>1. C.Willing A: affirmative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. C.Willing N: negative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. C.Willing U: undecided</td>
</tr>
<tr>
<td>Change Assessment</td>
<td>Individual’s assessment of change from a personal, departmental or institutional point of view</td>
<td>4. C.Assess. P+: personal experience positive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. C.Assess. P-: personal experience negative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. C.Assess. P: personal experience</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. C.Assess I+: institution positive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8. C.Assess I-: institution negative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9. C.Assess I: institution</td>
</tr>
<tr>
<td></td>
<td></td>
<td>10. C.Assess D+: department positive</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11. C.Assess D-: department negative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12. C.Assess D: department</td>
</tr>
<tr>
<td>Change Reasons</td>
<td>Reasons why it changed</td>
<td>13. C.Reasons+: good reasons</td>
</tr>
<tr>
<td>Commitment to Change</td>
<td>Views and Opinions on long-term commitment to the change: evaluation of prospect, necessary, functional or unnecessary</td>
<td>14. C.Reasons-: bad reasons</td>
</tr>
<tr>
<td>Degree of Change</td>
<td>Assessment of the degree of change introduced in terms of the difference it makes</td>
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Appendix II: Themes selected for thematic analysis

CONVENTION
1. Change is unnecessary
2. It is artificial, forced claims
3. It is just a case of relabelling the present

ILLEGITIMATE
4. It is not proper and appropriate within the institutional values and beliefs
5. Not congruent with who we are as a university
6. Marginal significance to well-being
7. Abstract, incomprehensible arguments

IMPOSSIBLE
8. I had never though of this

DEVALUE THE ORGANISATION'S IDENTITY
11. Core, important characteristics
12. Corporate efficacy
13. It doesn’t lead to favourable comparisons with its peers (corporate distinctiveness)
14. Corporate esteem
15. Continuity: Strong sense of the institution's history

NO SUPPORT
16. The culture of the institution does not support the change
17. The change has not been well communicated to us all

THE INADEQUATE PRESENT IDENTITY
18. Underlying the present inadequacies
19. We are not it the top tier yet

SUPPORT OF CULTURE
20. It requires adequate communication and information
21. Change is not automatic, it requires support and facilitation

**FUNCTIONAL**

22. Future-planning
23. Beneficial, wholesome and trustworthy
24. It meets the organisation’s needs

**ENHANCEMENT OF FUTURE IDENTITY**

25. Preferable direction for the future because it is superior
26. Highlights desired attributes
27. Continuity
28. Distinctiveness
29. Efficacy
30. Esteem

**POSSIBLE**

31. It is a challenging change, to which, however, we can aspire
32. It is within our potential

**ATTRACTIVE IMAGE**

33. Substance
34. Reputation / Prestige
35. External distinctiveness
Appendix III: Organisational Membership

<table>
<thead>
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<th>School of Management</th>
<th>Social Sciences</th>
<th>Top Management</th>
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<td>R: Ad</td>
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Appendix V: Analysis of Employees' Arguments on their Change Sensemaking Process as Found in the 51 Change Instances Analysed

1. “Ultimately they do a project, a strategy or image change, because they want some kind of business benefits out at the end (Claim). And the reason for that was that the current situation was unsatisfactory, we had problems which we had to tackle (Warrant). The benefits come around however when you know where you are going, what’s the rationale of doing this (Backing).”

2. “I would claim that the change effort has a good potential to succeed (Claim) because something was not working and we could see it (Warrant). We had to compete not only for funding but for students as well and we had to do something about it (Warrant). More wide partnerships with industry seemed like a good and appropriate solution and it was really one of our problems (Backing) that would generate the desired result.”

3. “They talk about our need to be well-known in the community, they talk about our lack of image and our difficulty to establish and communicate our work (Data), and I understand that there is a need that has to be addressed... there is obviously something that goes wrong and needs change (Data implied from previous argumentation)... the university needs modernisation etc., but so far I don’t see anything happening (Backing). Everything has stopped in the advertising phase, that we’re going to do that, be like that... but nothing has actually been done (Backing). So, I don’t really believe in what they declare (Claim) and I am actually fed up waiting and receiving information about what they ‘plan to do’ (Claim). If you don’t see something happening that would really address our problems how can you believe in it? (Backing)”

4. “I understand that we need to have a more focused strategy to become top tier. But I can assure you this is not the way forward (Claim). I really don’t believe that pursuing a different logo or corporate identity will put us at the top-tier (Warrant). Becoming a top university means strong fundamental research and awareness of industry needs, not logos and mission statements (Backing).”

5. “Of course we need to see what the university is all about, we cannot forget about these issues, what makes us special, what we do best, and what we are proud of (Backing). And then we must think what can be changed, along these lines, without forgetting who we are, because we are strong and we need to preserve that feeling (Warrant). Otherwise the change will never succeed (Claim).”
6. "It is the tradition and the history of the university, what we have always been, that actually guides my reaction towards the change now (Backing). And this change cannot win me (Claim) because it's not me (Warrant)."

7. "Our mission here is to teach our pupils and to be a part of a major research institution (Warrant). This is what we believe and value, and this is what we are supposed to do (Backing). If someone asks me to do something else, well, there might be a problem (Backing). I would not commit easily (Claim)."

8. "The change we are talking about just describes who we are going to be in two, five, ten years (Data). It tries to describe in quite abstract terms I admit, the future of the university, how the university should be (Warrant) in five years time and I admit it sounds very attractive (Claim). Of course I want to work for a top institution and it seems that we are getting there (Backing)."

9. "The good news are that we know what we need to do if we want to be a more business orientated organisation, 'a real-world’ institution according to the mission (Backing); in this sense, we need to be more competitive, industry-focused, and more innovative (Warrant). We need to be responsive to the needs of the real world and able to speak the same language (Warrant)... and I am willing to work towards that end (Claim)."

10. "What the change indicates for the future is a quite non-typical institution... just like LBS (Backing). LBS capitalises on an enormous pool of business partnerships which provides a real focus on the needs of these organisations (Warrant). And at the same time it has immediate feedback about what is working and what is not working in practice... (Warrant) This is the competitive advantage we are aiming at (Claim)."

11. "The change implies that right now the future of the university is quite vague and idealistic (Backing), but nonetheless certain, predictable and attractive (Claim)."

12. "I see the university as pursuing a mission of being among the top universities in the country (Claim). This requires fundamental changes, and I am sure it is going to change considerably (Warrant), however its vision of excellence stays the same (Backing)."

13. "It makes sense (Claim) because it's something possible (Warrant) which was missing from the organisational repertoire (Warrant)... it is how we were supposed and meant to be (Backing)".
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14. "To be honest, I never received enough information about the new plans (Warrant). And I really can’t see where the university is going (Warrant) and how the change can make a difference (Backing)... I don’t believe they are going to succeed, at least they haven’t won me (Claim)."

15. "When I first heard about the top-tier or top-ten university vision mainly through all the advertising (Warrant) I was really excited (Claim), because I thought yes, this is a good thing to work for (Backing)."

16. "...if we start with trying to change identity, we might not get anywhere and people will not commit to the change (Backing). But if we start by laying out an image that employees want to achieve, that will make it easier to move them off the current way of seeing themselves and the university (Warrant). That’s what this change is all about and how it will make it happen (Claim)."

17. "The change definitely proposes something different (Claim). Friends and colleagues from other universities, the academic community as a whole and prospective students and employees here, will have different perceptions of the university, mainly due to our new image and marketing programme (Warrant). So, it makes you wonder, whether this is now who you should be, or who others believe you should be (Backing)."

18. "If someone believes that you are a leading university in research and teaching, and that you respond well to changes and tailor your programmes and research according to the changing needs of the society, then definitely you will work to realise that image (Warrant). Because it’s a good image (Claim) presenting you in a positive light, something you would like to be connected with (Backing)."

19. "I believe that we do have a good reputation among our colleagues and the community (Warrant). And I am afraid trying to change, will affect also this image (Backing), in an unpredictable way and not necessarily positive (Claim)."

20. "If the result of the change will be the creation of a more favourable image in the eyes of the community and of our prospective students and colleagues (Backing), then yes, I agree that this is a good reason for the change (Claim) and at the beginning it will make us look like a top university (Warrant)."

21. "The response of the students, academics and the media really justify our image and our vision for the future (Warrant). And this indicates that we don’t try to project an unrealistic image (Backing) but a real and attractive one (Claim)."
22. "I may not believe in the power of logos (Backing), but in our case it makes us look like we are moving forward (Warrant) which is especially rewarding in our environment (Claim)."

23. "I can't think of what the change proposes without keeping my mind tuned to what we are (Backing). And we are "there" already (Backing). They talk about excellence in research, but we've done that; they talk about creating an established image and reputation, but we are a very well-known and established school (Warrant). So, I really believe that all these are absolutely unnecessary and pointless (Claim)."

24. "We are not operating in a competitive business industry, this is completely different from what we are, and from our mission and role in the society (Backing). This means that the management of the university will never be able to implement their dream (Claim), probably they work in the wrong environment, because it is not tailored to our needs (Warrant)."

25. "The point is that it is so different from what I've been doing so far, that I really don't understand what it means, what it is supposed to suggest (Warrant). And if you don't understand it you cannot work for it (Backing). How can I buy into it then? (Claim)"

26. "I have a positive feeling about the whole thing (Claim)... because even though it's not a usual practice for academic institutions in this country to react in this more business-like way, with promoting and changing corporate identities, logos, and integrating the university's corporate communications, I can see where they are coming from (Warrant). It's not really impossible to think of the university in these terms... in a way I feel that they fit in the university's mission (Backing)."

27. "The management of the school initiated a change programme accompanied by a significant change at the logo and corporate identity of the school, to change the image of the university among other things (Data). However, what they are promoting is very different from what the school is at the moment (Warrant) and I don't think that we'll ever be that way (Backing). It's a joke (Claim)."

28. "I don't think that I am going to support the change (Claim), because it doesn't make sense (Warrant). If you don't know and understand the language that goes with this new image how can you support it? (Backing)"

29. "The announced strategic change is supposed to change the way we work and operate (Data). So far, the only thing that has changed is our marketing policy, because now we
have one, and our logo, nothing else (Warrant). However, these changes are not real, they are just fancy words in 'fancy dress' (Backing), if you know what I mean. So, who believes them...? (Claim)"

30. "Isn’t it that if you want people to think of the university in a different way, the university needs to change at the end of the day? (Backing) This is the only way towards a successful change (Claim)."

31. "In a way, I feel proud of these changes (Backing); I feel that our university tries for the best (Warrant), and this is very positive (Claim)."

32. "I remember when I first came to the university I remember how much I would like the university to have a special character; to be known for something unique, for example for its expertise in identity research (Warrant)... Because this is how you are respected (Backing). I think now that’s what it’s being happening... (Data) It puts the university among the top institutions in the country (Claim). And the change will be soon reflected in the published teaching and research rankings (Warrant)."

33. "We used to be a good and respectable institution, but after the change and if their assertions are right, we are going to be a leading, top-tier institution (Warrant). Because the university in a way undermined its value, its abilities... It was capable of being among the best... But now it’s in honour of its tradition that it tries to respond and improve its practices and reputation (Backing). Having said that, I am sure I can support the change (Claim) because I like what it promises for the university (Warrant)."

34. "What mainly happened with this change was that the main character of the university became visible and acquainted special meaning (Warrant); it became the vision for the future (Warrant). That’s why we are talking about a successful change (Claim) because it is based on who you are (Backing)."

35. "It is a way forward (Claim) because in the past being a top university required quite different values and practices than what is required today (Warrant). We couldn’t even think about impression management and marketing in academia (Warrant). Today, we need to do it, if we want to be at the top (Backing)."

36. "Besides the university has all the resources and the power to realise this change (Backing). It is the only way forward (Claim)."
37. "I want to work towards that end (Claim) because I would be really disappointed if the university would not succeed in this change (Warrant). The truth is that if the declarations fail, we will fail altogether (Backing)."

38. "I think that the university has already changed towards the desired direction (Backing). It's dynamic, responsive, flexible and very very different from how it used to be (Warrant). The result is really exciting (Claim)."

39. "The university as a whole now, and I mean its management, wants to be the best place not only in research, teaching, etc. but also in marketing, mission statements and logos which is really nonsense (Warrant). But who really cares about them? (Claim) They don't give value to the university if they don't support and improve the fundamentals (Backing)."

40. "No, I don't like the change (Claim) because we don't have a respectable place within the enterprise (Warrant). We put great emphasis on fundamental research at this department (Warrant). However, fundamental research does not always bring the big money (Warrant). And since we are judged by how much money we bring in, how can we have a place in the university's success? (Backing)"

41. "The change underestimates the nature of our success (Backing), that's why I don't believe in it (Claim). An enormous part of what makes our school special is not susceptible to quantification (Warrant). Students have risen to major roles which would be unheard of at other schools (Warrant)."

42. "It's nonsense (Claim). What they declare to be doing by the end of this year, and I underline the time frame, we may have been doing it 4 or 5 years ago (Warrant). We have already developed an innovative management programme, with specialisations not existing in other schools, and especially linking management discipline with the industry (Warrant). In a way, the official programme has detailed none of the changes that have taken place over the last two years instead they make it look like something new and not established, that we are going to achieve in the future, when the truth is that we're already established, and we need to enjoy the rewards of our success (Backing)."

43. "Our efficiency in delivering results has been completely neglected (Backing). We are doing a great job, but no one seems to care. We have achieved a lot in all the areas, but they talk as if nothing has been done (Warrant). What are we supposed to do then? (Claim) Is this some kind of punishment? (Claim)"

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44. "No matter what they say, I don’t think they will make it (Claim). That’s why the change programme stayed at the stage of design, without initiating actually any of the changes (Warrant). They don’t know how to do it, no matter how humiliating this sounds (Backing).”

45. "Marketing, logos, mission statements, who really cares in academia about these things (Warrant). We don’t even care about teaching excellence, which we declare that is our strong point (Warrant). You saw what was going on at the QAA exercise, didn’t you? (Data) Besides these are not the qualities for which you would like to be known (Backing). And I will refuse working for them (Claim).”

46. "I don’t even have enough resources to plan the follow on our plans, because in a way they are decided according to your contribution to the ‘big enterprise’ plan (Warrant). However, when your priorities are quite different you are not allowed to do anything (Backing). It’s ridiculous (Claim).”

47. “We were special in our own way (Warrant). But now most of our good and special elements are not promoted any more (Backing). The most important elements for me, and this is actually why I joined this group, was the strong tradition in social psychological research, and I expected that we could organise strong research teams focused on a specific area (Warrant). This would make us special, like Oxford for example (Backing). But when you don’t capitalise on what you are known for, you will never succeed (Backing). And this is not happening (Claim).”

48. “The problem is that this change is not going to make us look special (Backing). It is obvious that we try to imitate some of the best universities, and look like them (Warrant). But this is not what academia and universities should be (Claim).”

49. “I am disappointed (Claim), because all these make us look like a new university (Warrant), depreciating our status in the academic environment (Backing). Not only that but our department has a very good international standing, but this is not reflected in the programme (Warrant). We are completely ignored so far in comparison with other departments because we don’t bring the money (Warrant) and this hurts our status within the university (Backing).”

50. “The declarations of the change programme assert that we are going to be a top university, among the best in the country (Data). The truth is that noone believes this is possible (Backing) and noone believes in these management claims (Claim). We are a
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good institution but not one of the best (Warrant). So, in this case, it is quite embarrassing to say something that you don’t believe is true (Backing).”

51. “We really value our innovative culture which we may lose (Warrant). If the emphasis on high-tech and entrepreneurship were to change, the school would lose its identity and competitive advantage (Backing). And we don’t want to see that happening (Claim).”
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Appendix VI: Questionnaire

EMPLOYEE SURVEY

Racal has always placed a high priority on the training and development of its employees. Similarly, the University of Surrey has always placed a similar priority on developing methods to enable employers like Racal to accurately assess itself and its employees, in order that it can improve and enhance the working life of all of its employees.

To this end, Racal has kindly agreed to take part in a programme of research that the University of Surrey is conducting into ‘company culture’ and how it impacts on company performance. Company culture has been found to be an important element in what makes your company successful and what makes it a good place for people like you to work in. A company’s culture can not only help a company achieve more success, but it can hinder it as well. We want to find out what your company’s culture is.

Racal is naturally also interested in further understanding its culture and therefore requests that all of its employees across the UK complete this questionnaire. Once you have completed the questionnaire, please send it back to us, via Head Office, in the confidential envelope provided.

Please be assured that the answers that you give will only be used for research purposes and will at all times remain completely confidential. Whilst at the end of the research exercise we will be presenting your company with a report, please be assured that you cannot be identified, nor can your views and comments be directed back at you. We are interested in what was said, not who said it.

Please complete every question. There is scope at the end of this questionnaire for you to provide any additional comments that you may have. The questionnaire should take you about 20 minutes to fill in. Please ensure that you return the questionnaire by 31/01/2000.

Thank you very much for your time and consideration

Olivia Kiriakidou & Dr. Lynne Millward
University of Surrey
Personal Details

Please place a cross X in the box that most accurately represents your answer to the questions below.

AGE: 18-25 ☐ 26-35 ☐ 36-45 ☐ 46-55 ☐ 56-65 ☐ 66+ ☐

PLEASE CROSS ☐ ☐ ☐ ☐ ☐ ☐

SEX MALE ☐ FEMALE ☐

CROSS ☐ ☐

CURRENT DEPARTMENT

PLEASE INDICATE

CURRENT POSITION

PLEASE CROSS

Top/Board Level Management ☐
Senior Management ☐
Middle Manager ☐
First-line Manager ☐
Supervisor / Officer ☐
Junior Grade Staff ☐

NO. OF YEARS IN CURRENT JOB: __________________________

NO. OF YEARS IN THE COMPANY: __________________________

TYPE OF CONTRACT: Permanent ☐ Temporary ☐ Fixed-term ☐ Part-time ☐ Work experience ☐
This section is designed to explore certain aspects and characteristics of Racal today. Please consider each of the following statements with reference to your company. In general, how attractive you would rate each of the following characteristics as representatives of your organisation? Read each statement and then circle the appropriate number to the right of the statement to indicate how attractive you think it is (i.e. whether it is highly valued, makes the organisation distinctive, or able to deliver results).

Customer Focused 1 2 3 4 5 6 7
Teamwork 1 2 3 4 5 6 7
Emphasis on Results 1 2 3 4 5 6 7
Continuous Improvement 1 2 3 4 5 6 7
Open Communication 1 2 3 4 5 6 7
Emphasis on Profit 1 2 3 4 5 6 7
Emphasis on Quality 1 2 3 4 5 6 7
Control 1 2 3 4 5 6 7
Being Innovative 1 2 3 4 5 6 7
Adaptability 1 2 3 4 5 6 7
Trust 1 2 3 4 5 6 7
Taking Individual Responsibility 1 2 3 4 5 6 7
Stability 1 2 3 4 5 6 7
Having a clear guiding philosophy 1 2 3 4 5 6 7
Risk - taking 1 2 3 4 5 6 7
Cost - effective 1 2 3 4 5 6 7
Emphasis on Training 1 2 3 4 5 6 7
Flexibility 1 2 3 4 5 6 7
Superior Products 1 2 3 4 5 6 7
Focused on Company Growth 1 2 3 4 5 6 7
Being employee focused 1 2 3 4 5 6 7
Successful 1 2 3 4 5 6 7
Responsive, taking advantage of opportunities 1 2 3 4 5 6 7
Employee Fulfilment 1 2 3 4 5 6 7
Customer Satisfaction 1 2 3 4 5 6 7
Bureaucratic 1 2 3 4 5 6 7
Innovation 1 2 3 4 5 6 7
Performance Excellence 1 2 3 4 5 6 7
Long-term perspective 1 2 3 4 5 6 7
Tradition 1 2 3 4 5 6 7
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This section is designed to explore the way Racal would like to be in the future. You can consider each of the following statements as the qualities that your company would like to possess after the implementation of the change. In general, how attractive would you rate each of the following characteristics as representative of Racal in the future? Please remember that each of the statements represent the desired identity of your company (what Racal would like to be).

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<tr>
<td>Emphasis on Quality</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Being Innovative</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Adaptability</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Taking Individual Responsibility</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Stability</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Having a clear guiding philosophy</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Risk - taking</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Cost - effective</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Emphasis on Training</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Flexibility</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Superior Products</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Focused on Company Growth</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Being employee focused</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Successful</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Responsive, taking advantage of opportunities</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Employee Fulfilment</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Bureaucratic</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Performance Excellence</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Long-term perspective</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
<tr>
<td>Tradition</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>
This section is designed to explore how you think other significant competitor organisations rate Racal. In general, how attractive do you think other peer organisations would rate Racal in terms of:

Not at all = 1  
To a great extent = 7

How attractive do you think competitor companies, in general, would rate Racal in terms of:

- Innovation in products?
- Innovation in meeting new customer needs?
- The quality of our products?
- The quality of our service?
- The quality of the workforce?
- Employee motivation?
- The quality of the administration?
- The company’s goals?
- Overall reputation and prestige?
- Financial/economic status?
- Responsiveness?

At this section we would like you to name up to three companies you would like Racal to emulate:

1.
2.
3.

Using the dimensions and the scale presented below, please answer the following question:

To what extent would you like Racal to emulate these companies according to the following dimensions?

Not at all = 1  
To a great extent = 7
### Innovation in Products

- [ ] Strongly Disagree
- [ ] Strongly Agree

### Innovation in Meeting New Customer Needs

- [ ] Strongly Disagree
- [ ] Strongly Agree

### The Quality of Service

- [ ] Strongly Disagree
- [ ] Strongly Agree

### The Quality of the Workforce

- [ ] Strongly Disagree
- [ ] Strongly Agree

### The Quality of Products

- [ ] Strongly Disagree
- [ ] Strongly Agree

### The Quality of the Administration

- [ ] Strongly Disagree
- [ ] Strongly Agree

### Overall Reputation and Prestige

- [ ] Strongly Disagree
- [ ] Strongly Agree

### Financial/Economic Status

- [ ] Strongly Disagree
- [ ] Strongly Agree

### The Organisation's Goals

- [ ] Strongly Disagree
- [ ] Strongly Agree

### Employee Motivation

- [ ] Strongly Disagree
- [ ] Strongly Agree

### Responsiveness

- [ ] Strongly Disagree
- [ ] Strongly Agree

### Other (name as many as you want)


---

**This section is designed to explore how you feel about the communication and decision making within Rascal.** A number of statements appear below. For each statement, you are asked to state the degree to which you believe it is true of your company. Read each statement and then, using the scale below, put a cross X in the appropriate box to the right of the statement to indicate what you believe about the following issues.

<table>
<thead>
<tr>
<th>Strongly Disagree = 1</th>
<th>Strongly Agree = 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

- I get enough information to understand the big picture here
- When changes are made the reasons why are made clear
- I know what is happening in work settings outside my own
- I get the information I need to do my job well
- There is free and open exchange of information between those affected by a given issue
- Views other than those of senior managers are included in decision processes
- Decision processes around important issues can be characterised as interactive
- I get enough information to understand our business objectives
This section is designed to explore in a slightly different way how attractive you think the company's competitors see Racal. A number of characteristics appear below. For each dimension you are asked to answer the following question using the following scale:

<table>
<thead>
<tr>
<th>Not at all</th>
<th>Extremely Attractive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

How attractive do you think competitor companies, in general, would rate Racal in terms of:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Teamwork</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Emphasis on Results</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Continuous Improvement</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Open Communication</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Emphasis on Profit</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Emphasis on Quality</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Control</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Being Innovative</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Adaptability</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Trust</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Taking Individual Responsibility</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Stability</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Having a clear guiding philosophy</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Cost-effective</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Emphasis on Training</td>
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</tr>
<tr>
<td>Flexibility</td>
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</tr>
<tr>
<td>Superior Products</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Focused on Company Growth</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Being employee focused</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>Successful</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Responsive, taking advantage of opportunities</td>
<td>1 2 3 4 5 6 7</td>
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<tr>
<td>Employee Fulfilment</td>
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<tr>
<td>Customer Satisfaction</td>
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</tr>
<tr>
<td>Bureaucratic</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Innovation</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Performance Excellence</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Long-term perspective</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>Tradition</td>
<td>1 2 3 4 5 6 7</td>
</tr>
</tbody>
</table>
This section is designed to explore your attitudes towards Racal’s strategic plan. Consider the changes that have been introduced in your company. We would like to know how you feel about these changes. A number of statements appear below. For each statement you are asked to state how much you agree or disagree with it using the scale provided here.

<table>
<thead>
<tr>
<th>Strongly Disagree = 1</th>
<th>Strongly Agree = 7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>This change:</strong></td>
<td></td>
</tr>
<tr>
<td>Underlines the present inadequacies of the company.</td>
<td></td>
</tr>
<tr>
<td>Will give greater value to the company.</td>
<td></td>
</tr>
<tr>
<td>Enhances the company’s reputation and image.</td>
<td></td>
</tr>
<tr>
<td>Inspires reasonable goals and objectives</td>
<td></td>
</tr>
<tr>
<td>Devalues the company’s central characteristics.</td>
<td></td>
</tr>
<tr>
<td>Drives the whole company towards a positive direction.</td>
<td></td>
</tr>
<tr>
<td>Is not significant to the company’s well-being.</td>
<td></td>
</tr>
<tr>
<td>Does not make the company unique in comparison to its competitors</td>
<td></td>
</tr>
<tr>
<td>Does not fit into the total organisation.</td>
<td></td>
</tr>
<tr>
<td>Provides a sense of future planning</td>
<td></td>
</tr>
<tr>
<td>Is unnecessary</td>
<td></td>
</tr>
<tr>
<td>Is not supported by the culture of the company.</td>
<td></td>
</tr>
<tr>
<td>Does not meet our expectations.</td>
<td></td>
</tr>
<tr>
<td>Addresses the company’s problems.</td>
<td></td>
</tr>
</tbody>
</table>

1 2 3 4 5 6 7

<table>
<thead>
<tr>
<th><strong>This change:</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Will contribute to the company’s effectiveness</td>
<td></td>
</tr>
<tr>
<td>Will make us proud of our company.</td>
<td></td>
</tr>
<tr>
<td>Makes the company look special.</td>
<td></td>
</tr>
<tr>
<td>Is within our potential.</td>
<td></td>
</tr>
<tr>
<td>Contributes to organisational growth.</td>
<td></td>
</tr>
<tr>
<td>Does not fit in the company’s traditions.</td>
<td></td>
</tr>
<tr>
<td>Does not represent the company as a whole.</td>
<td></td>
</tr>
<tr>
<td>Has not actually changed anything.</td>
<td></td>
</tr>
</tbody>
</table>

1 2 3 4 5 6 7
This change:

Does not represent the way we are.
Will meet its objectives successfully.
Meets the needs of the company.
Does not represent what we would like to be.
Does not make us proud of the organisation.
Provides the opportunity to work for a top company.
Is not appropriate within the values and beliefs of the company.

This is a change:

To which we can aspire.
For which I am clear about the part I can play.

Regarding this change:

The future of the company has been well communicated to us all.
I know what this company is trying to achieve.
The company is not ready and able to deliver its promises.
I don’t understand its cause.
The organisation will not look successful.
Finally...

Now that you have completed this questionnaire, do you have any other comments you wish to make?

On behalf of Ms Olivia Kiriakidou & Dr. Lynne Millward thank you very much for taking part in this research.

Reminder: Please return this questionnaire in the pre-printed envelope by 13/12/99.
### Appendix VII: Change Interpretation Scale (Final Scale) and Dimensional Membership

<table>
<thead>
<tr>
<th>Item (Preceded with “This is a change...”, “This change...”, “After the change...”)</th>
<th>New label</th>
<th>Expected Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlines the present inadequacies of the organisation</td>
<td>IPRE1</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Addresses the company’s problems</td>
<td>IPRE2</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Will give greater value to the company</td>
<td>ENHA1</td>
<td>Enhancement</td>
</tr>
<tr>
<td><em>Will contribute to the company’s effectiveness</em></td>
<td>ENHA2</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Will make us proud of our company</td>
<td>ENHA3</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Will meet its objectives successfully</td>
<td>ENHA4</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Enhances the company’s reputation and image</td>
<td>AIMA1</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Makes the company look special</td>
<td>AIMA2</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Inspires reasonable goals and objectives</td>
<td>POSS1</td>
<td>Enhancement</td>
</tr>
<tr>
<td>To which we can aspire</td>
<td>POSS2</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Is within our potential</td>
<td>POSS3</td>
<td>Enhancement</td>
</tr>
<tr>
<td>Provides a sense of future planning</td>
<td>FUN1</td>
<td>Devalue</td>
</tr>
<tr>
<td>Drives the whole company towards a positive direction</td>
<td>FUN2</td>
<td>Functionality</td>
</tr>
<tr>
<td>Meets the needs of the organisation</td>
<td>FUN3</td>
<td>Functionality</td>
</tr>
<tr>
<td>The future of the company has been well communicated to us all</td>
<td>SUPP1</td>
<td>Functionality</td>
</tr>
<tr>
<td>For which I am clear about the part I can play</td>
<td>SUPP2</td>
<td>Functionality</td>
</tr>
<tr>
<td>I know what this company is trying to achieve</td>
<td>SUPP3</td>
<td>Functionality</td>
</tr>
<tr>
<td>Does not make the company unique in comparison to its competitors</td>
<td>DEV1</td>
<td>Devalue</td>
</tr>
<tr>
<td>Does not fit in the company’s traditions</td>
<td>DEV2</td>
<td>Devalue</td>
</tr>
<tr>
<td>The company is not ready and able to deliver its promises</td>
<td>DEV3</td>
<td>Devalue</td>
</tr>
<tr>
<td>Does not fit into the total organisation</td>
<td>DEV4</td>
<td>Devalue</td>
</tr>
<tr>
<td>Does not represent the company as a whole</td>
<td>DEV5</td>
<td>Devalue</td>
</tr>
<tr>
<td>Is not appropriate within the values and beliefs of the company</td>
<td>DEV6</td>
<td>Devalue</td>
</tr>
<tr>
<td>Is not significant to the company’s well-being</td>
<td>DEV7</td>
<td>Devalue</td>
</tr>
<tr>
<td>I don’t understand its cause</td>
<td>DEV8</td>
<td>Devalue</td>
</tr>
<tr>
<td>Is unnecessary</td>
<td>DEV9</td>
<td>Devalue</td>
</tr>
<tr>
<td>30 Has not actually changed anything</td>
<td>CONV1</td>
<td>Devalue</td>
</tr>
<tr>
<td>Does not meet our expectations</td>
<td>CONV2</td>
<td>Devalue</td>
</tr>
<tr>
<td>Does not represent the way we are</td>
<td>CONV3</td>
<td>Devalue</td>
</tr>
<tr>
<td>Does not represent what we would like to be</td>
<td>CONV4</td>
<td>Devalue</td>
</tr>
<tr>
<td>Does not make us proud of the organisation</td>
<td>CONV5</td>
<td>Devalue</td>
</tr>
<tr>
<td>The organisation will not look successful</td>
<td>CONV6</td>
<td>Devalue</td>
</tr>
</tbody>
</table>
Appendix VIII: Perceived Sensemaking Context (Initial Item Pool) with Expected Factorial Membership

<table>
<thead>
<tr>
<th>Item (Preceded with “This organisation offers you/ provides/...”, “This organisation is one where ...”, etc.)</th>
<th>New label</th>
<th>Expected Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appraisals are geared more to reward and punishment then to learning and development</td>
<td>IMPL1</td>
<td>Implementing</td>
</tr>
<tr>
<td>We tend to let our broad strategy and direction emerge gradually</td>
<td>IMPL2</td>
<td>Implementing</td>
</tr>
<tr>
<td>Our broad strategy is quite firmly fixed and undergoes only minor modifications</td>
<td>IMPL3</td>
<td>Implementing</td>
</tr>
<tr>
<td>We very rarely need to change our strategy and policies</td>
<td>IMPL4</td>
<td>Implementing</td>
</tr>
<tr>
<td>Our working practices are basically fixed – we never have any need to change them</td>
<td>IMPL5</td>
<td>Implementing</td>
</tr>
<tr>
<td>People stick to established routines and methods</td>
<td>IMPL6</td>
<td>Implementing</td>
</tr>
<tr>
<td>We are reluctant to try new ways of working because we are not the sort of company that can take risks</td>
<td>IMPL7</td>
<td>Implementing</td>
</tr>
<tr>
<td>People try something new even if the outcomes are uncertain</td>
<td>IMPRO1</td>
<td>Improving</td>
</tr>
<tr>
<td>We do have set working practices, but we can change these in pursuit of greater efficiency if needed</td>
<td>IMPRO2</td>
<td>Improving</td>
</tr>
<tr>
<td>We try to do things better</td>
<td>IMPRO3</td>
<td>Improving</td>
</tr>
<tr>
<td>There is a general attitude of continuous improvement – always trying to learn and do things better</td>
<td>IMPRO4</td>
<td>Improving</td>
</tr>
<tr>
<td>We have rules and procedures but they may change after review and discussion</td>
<td>IMPRO5</td>
<td>Improving</td>
</tr>
<tr>
<td>Business plans are evolved and modified as we go along</td>
<td>IMPRO6</td>
<td>Improving</td>
</tr>
<tr>
<td>Deliberate feedback is built into the working process to enable continuous improvement</td>
<td>IMPRO7</td>
<td>Improving</td>
</tr>
<tr>
<td>People encourage differences of opinion and use them in a creative and constructive way</td>
<td>INTEG1</td>
<td>Integration</td>
</tr>
<tr>
<td>We try to do things better by thinking and creating new possibilities for the company</td>
<td>INTEG2</td>
<td>Integration</td>
</tr>
<tr>
<td>We are encouraged to experiment with new and novel ways of working</td>
<td>INTEG3</td>
<td>Integration</td>
</tr>
<tr>
<td>We try to promote risk taking and experimentation in our working methods</td>
<td>INTEG4</td>
<td>Integration</td>
</tr>
<tr>
<td>Differences of all sorts are recognised and positively valued as essential to learning and creativity</td>
<td>INTEG5</td>
<td>Integration</td>
</tr>
<tr>
<td>People make time to analyse, discuss and learn from differences of opinions and from different practices</td>
<td>INTEG6</td>
<td>Integration</td>
</tr>
<tr>
<td>People make time to question their own practices</td>
<td>INTEG7</td>
<td>Integration</td>
</tr>
<tr>
<td>Employees never act on anything before thinking things out carefully</td>
<td>RISK1</td>
<td>Risk-taking</td>
</tr>
<tr>
<td>Employees always try to avoid risky decisions</td>
<td>RISK2</td>
<td>Risk-taking</td>
</tr>
<tr>
<td>Caution is the best policy</td>
<td>RISK3</td>
<td>Risk-taking</td>
</tr>
<tr>
<td>Nobody got anywhere without taking a chance every once in a while</td>
<td>RISK4</td>
<td>Risk-taking</td>
</tr>
<tr>
<td>I know exactly what is expected of me</td>
<td>TRUS1</td>
<td>Trust</td>
</tr>
<tr>
<td>Management shows complete trust in employees’ ability to perform their job well</td>
<td>TRUS2</td>
<td>Trust</td>
</tr>
<tr>
<td>I feel free to discuss problems or negative feelings with my supervisor</td>
<td>TRUS3</td>
<td>Trust</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Within reason, employees can say what they want without fear of punishment</td>
<td>TRUS4</td>
<td>Trust</td>
</tr>
<tr>
<td>I get enough information to understand the big picture here</td>
<td>COMM1</td>
<td>Communication</td>
</tr>
<tr>
<td>When changes are made, the reasons why are made clear</td>
<td>COMM2</td>
<td>Communication</td>
</tr>
<tr>
<td>I know what's happening in work sections outside my own</td>
<td>COMM3</td>
<td>Communication</td>
</tr>
<tr>
<td>I get the information I need to do my job well</td>
<td>COMM4</td>
<td>Communication</td>
</tr>
<tr>
<td>I get enough information to understand our business objectives</td>
<td>COMM5</td>
<td>Communication</td>
</tr>
<tr>
<td>The opportunity for promotion</td>
<td>DEV1</td>
<td>Employee Development</td>
</tr>
<tr>
<td>The opportunity to advance your career</td>
<td>DEV2</td>
<td>Employee Development</td>
</tr>
<tr>
<td>The chance to create a 'professional' identity for yourself</td>
<td>DEV3</td>
<td>Employee Development</td>
</tr>
<tr>
<td>The opportunity to develop your own area of expertise at work</td>
<td>DEV4</td>
<td>Employee Development</td>
</tr>
<tr>
<td>There is free and open exchange of information between those affected by a given issue</td>
<td>INTE1</td>
<td>Interaction/Involvement</td>
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<tr>
<td>Views other than those of senior managers are included in decision processes</td>
<td>INTE2</td>
<td>Interaction/Involvement</td>
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<tr>
<td>Decision processes around important issues can be characterised as interactive</td>
<td>INTE3</td>
<td>Interaction/Involvement</td>
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<tr>
<td>Employees who perform well receive financial rewards, such as higher pay, bonuses or awards</td>
<td>REWA1</td>
<td>Rewards and Benefits</td>
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<tr>
<td>Gives praise and recognition for outstanding performance</td>
<td>REWA2</td>
<td>Rewards and Benefits</td>
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<tr>
<td>Innovators (those who come up with new ways of doing things) are the people who get rewarded</td>
<td>REWA3</td>
<td>Rewards and Benefits</td>
</tr>
<tr>
<td>Employees are encouraged to make suggestions for improvements</td>
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<tr>
<td>Employees are encouraged to try new and better ways of doing the job</td>
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</tr>
<tr>
<td>Creativity is actually encouraged</td>
<td>INNO3</td>
<td>Innovation</td>
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<tr>
<td>Trying new ways of solving problems is discouraged</td>
<td>INNO4</td>
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### Appendix IX: Perceived Sensemaking Context (Final Scale) and Dimensional Membership

<table>
<thead>
<tr>
<th>Item (Preceded with “This organisation offers you/ provides/...”, “This organisation is one where ...”, etc.)</th>
<th>New label</th>
<th>Expected Dimension</th>
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<tbody>
<tr>
<td>We tend to let our broad strategy and direction emerge gradually</td>
<td>IMPL2</td>
<td>Implementing</td>
</tr>
<tr>
<td>Our broad strategy is quite firmly fixed and undergoes only minor modifications</td>
<td>IMPL3</td>
<td>Implementing</td>
</tr>
<tr>
<td>We very rarely need to change our strategy and policies</td>
<td>IMPL4</td>
<td>Implementing</td>
</tr>
<tr>
<td>Our working practices are basically fixed – we never have any need to change them</td>
<td>IMPL5</td>
<td>Implementing</td>
</tr>
<tr>
<td>People stick to established routines and methods</td>
<td>IMPL6</td>
<td>Implementing</td>
</tr>
<tr>
<td>We are reluctant to try new ways of working because we are not the sort of company that can take risks</td>
<td>IMPL7</td>
<td>Implementing</td>
</tr>
<tr>
<td>People try something new even if the outcomes are uncertain</td>
<td>IMPRO1</td>
<td>Improving</td>
</tr>
<tr>
<td>We do have set working practices, but we can change these in pursuit of greater efficiency if needed</td>
<td>IMPRO2</td>
<td>Improving</td>
</tr>
<tr>
<td>We try to do things better</td>
<td>IMPRO3</td>
<td>Improving</td>
</tr>
<tr>
<td>There is a general attitude of continuous improvement – always trying to learn and do things better</td>
<td>IMPRO4</td>
<td>Improving</td>
</tr>
<tr>
<td>Business plans are evolved and modified as we go along</td>
<td>IMPRO6</td>
<td>Improving</td>
</tr>
<tr>
<td>Deliberate feedback is built into the working process to enable continuous improvement</td>
<td>IMPRO7</td>
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<tr>
<td>People encourage differences of opinion and use them in a creative and constructive way</td>
<td>INTEG1</td>
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<tr>
<td>We are encouraged to experiment with new and novel ways of working</td>
<td>INTEG3</td>
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<tr>
<td>We try to promote risk taking and experimentation in our working methods</td>
<td>INTEG4</td>
<td>Integration</td>
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<tr>
<td>Differences of all sorts are recognised and positively valued as essential to learning and creativity</td>
<td>INTEG5</td>
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<tr>
<td>People make time to analyse, discuss and learn from differences of opinions and from different practices</td>
<td>INTEG6</td>
<td>Integration</td>
</tr>
<tr>
<td>People make time to question their own practices</td>
<td>INTEG7</td>
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<tr>
<td>Employees always try to avoid risky decisions</td>
<td>RISK2</td>
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<td>Caution is the best policy</td>
<td>RISK3</td>
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<td>Management shows complete trust in employees’ ability to perform their job well</td>
<td>TRUS2</td>
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<tr>
<td>I feel free to discuss problems or negative feelings with my supervisor</td>
<td>TRUS3</td>
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<tr>
<td>Within reason, employees can say what they want without fear of punishment</td>
<td>TRUS4</td>
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<tr>
<td>I get enough information to understand the big picture here</td>
<td>COMM1</td>
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<tr>
<td>When changes are made, the reasons why are made clear</td>
<td>COMM2</td>
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<tr>
<td>I know what’s happening in work sections outside my own</td>
<td>COMM3</td>
<td>Communication</td>
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<tr>
<td>I get the information I need to do my job well</td>
<td>COMM4</td>
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<tr>
<td>I get enough information to understand our business objectives</td>
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<td>The opportunity for promotion</td>
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<td>Employee Development</td>
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<tr>
<td>The opportunity to advance your career</td>
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<td>Employee Development</td>
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<tr>
<td>The opportunity to develop your own area of expertise at work</td>
<td>DEV4</td>
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<td>There is free and open exchange of information between those affected by a given issue</td>
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<td>Creativity is actually encouraged</td>
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### Appendix X: Direct and Indirect Effects for the Sub-Scales of Change Interpretation for the Luxury Goods Sample

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