Strategic Change Communication
The Influence of Top Managers’ Sensegiving over Middle Managers’ Sensemaking
Acknowledgements

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Abstract

*Purpose:* The purpose of this thesis is to explore factors that influence the sensemaking of middle managers during strategic change, and how top managers may influence those factors by making sense of them prior to the formation of the strategy.

*Methodology:* In this paper, a qualitative research method with an abductive approach is used to explore individuals’ understanding and perspectives regarding the phenomenon under study. The data collection is based on interviewing six managers and two management consultants who added valuable inputs to our investigation.

*Findings:* The research highlights the importance of top managers understanding how middle managers’ response to strategic change. Four factors are identified to be at the heart of middle managers’ response to change after sense has been given to them by top managers; Uncertainty, Personal stakes, Overload, and Trust. By understanding these factors, top managers are able to better forecast the reactions middle managers will have to the change; which helps top managers to assess the level of transparent information needed and the level of involvement of middle managers needed in the design of a strategy.

*Originality/Value:* Based upon previous research on the separate factors, this paper further explores and compiles the factors together to provide top managers with an insight of their potential influence over the sensemaking process of middle managers.
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I Introduction

This chapter begins by introducing the reader to the study area from a realistic lens and to what the reader should expect in the later stages of this paper. The background of this section presents the middle managers’ perspective during strategic change as well as the concepts of sensemaking and sensegiving. The chapter ends with developing a purpose and research questions for this paper.

Today, the world is characterized by two major revolutions; an increased demand from populations to understand the “why” of their individual actions, and the accelerated need for organizations to change in order to keep pace with today’s unstable global economic environment.

A few decades ago, planning was the key to successful politics and management. Subordinates were not asked to bring an intellectual input to decisions taken by the top (Currie & Procter, 2005). In fact, they were expected to implement decisions and changes without questioning its validity or its intentions (Balogun, 2003; Balogun & Johnson, 2004; Currie Procter, 2005). Within a few decades, the Western world has experienced fantastic societal changes. The increased economic welfare has enabled people to worry less about essential needs such as food, health, and protection. Together with an increase in education and more developed means of communication, it has increased people’s tendency to question more, increase their expectations, and get involved in discussions. Today, people want to understand, have power over their own faith, and have a say in decisions (Huy, 2002). This societal change has not left organizations untouched. Indeed, the top-down approach has been subject to tremendous amounts of studies and the view of management has evolved a lot.

It is within this evolutionary socio-economic context this paper digs into the relationship between top managers and middle managers during strategic change.

This paper lies within the context of deliberate strategies initiated by the top in large companies. The contribution of this paper comes in three dimensions.

The first dimension is the theoretical framework that puts together research about introducing strategic change, the communication process between top managers and middle managers, in terms of sensemaking and sensegiving, and some of the key factors that are likely to affect middle managers’ response to change.

The second part is empirical. By interviewing top and middle managers, the researchers are able to find answers on questions specifically designed for this paper. This allows a deeper understanding of why middle managers respond to change positively or negatively, in terms of four key factors. Furthermore, it enables to comprehend how and why top managers should influence this response by assessing the information that will be given to middle managers, and the extent to which middle managers should be involved in the formation of the strategy.

Finally, the analysis draws theoretical statements by reading beyond the merger of the theoretical framework and the empirical findings, in order to answer the research questions in a clear and concise manner.
1.1 Background

In the past few years, the importance of middle managers has been taken into consideration in the strategic management research. Most of the research within this area shared the hypothesis that middle managers are key players and essential to explain and understand strategic organizational practices; what has been called the “middle management perspective” (Wooldridge, Schmid, Floyd, 2008).

In a competitive economy, the long-term survival of organizations can best be evaluated by their ability to manage change (Balogun, 2003; Lüscher & Lewis, 2008). Balogun (2001) discusses two reasons for why change arises in organisations; one arises as a result of management trends of empowering employees and thus driving a cultural change within organisations, the second comes as a result of shifting their strategies in order to face the dynamic revolutionary business environment in order to stay in the competition.

Therefore, initiating change and adapting to it has become an essential part of managing organizations. The contribution of middle managers in strategic performances has been considered in the growing literature of managing strategic change in organizations. They have been regarded as interpreters and sellers of strategic change at the micro level (Nonaka, 1994; Balogun, 2003).

New emphasis has been introduced that defines strategic change from a “cognitive lens perspective” in terms of sensemaking and sensegiving (Fiss & Zajac, 2006). Sensemaking and sensegiving are about managerial understanding, interpreting, and creating sense of the information concerning strategic change (Floyd & Wooldridge, 1992). Therefore sensemaking and sensegiving have been regarded as being effective processes in managing strategic changes in organizations (Gioia & Chittipeddi, 1991). Since then, much of the focus has been centered on the managerial cognition of “sensemaking” and “sensegiving” and how they affect the implementation of strategic change within organizations. From the information given by top managers, middle managers make sense of how the strategy affects their role as well as their subordinates.

The problem concerning these cognitive practices is that sensemaking is a complex process and gives birth to multiple interpretations and emotional responses to the strategy, which can have serious consequences if the strategy is unclear (Balogun 2003, Rouleau 2005, Conway 2011). These consequences can be seen in implementing the change in organisations. Recent studies reveal that change implementation efforts often suffer a dismal fate. Researchers have found that at least more than half of all the organizational change programs do not reach the results which they intended to produce (Bennebroek et al., 1999). Some research indicates a failure rate of one-third to two-thirds of major change initiatives (Bibler, 1989; Beer & Nohria, 2000). More pessimistic results suggest a higher rate of failure (Beer et al, 1990; Burns, 2004) that may reach up to 80 to 90 percent (Cope, 2003).

The successful implementation of change seems to be largely influenced by how middle managers contribute to change at the initiation stage. In recommending further research, Todnem (2005) calls for exploratory studies regarding change management, such as identifying critical success factors for the management of change. Rouleau and Balogun (2007) argue that much of the literature regarding change remains silent about how middle managers hold their sensemaking roles into action. Therefore, they stress the importance of exploring how middle managers use their sensemaking and sensengiving in everyday activities, taking into account their informal-regarded strategizing roles.
Balogun (2003) also suggests that the level of involvement of middle managers during the formation of strategies affects the result of the implementation to a great extent. Balogun (2003) opens the debate and calls for further research about reasons for constraints in the field of communication during strategic change between top and middle management. She explains that there is a need to explore how the resistance of middle managers is affected by their involvement in the creation and the implementation of change. Therefore, we see our research to fill an interesting function within the area of middle management.

1.2 Purpose

The purpose of this thesis is to explore factors that influence the sensemaking of middle managers during strategic change, and how top managers may influence these factors by making sense of them prior to the formation of strategy.

1.3 Research Questions

- *What* key factors are likely to affect middle managers’ response to strategic change once it is given sense to them by top managers?
- *How* can top managers influence these factors?
- *Why* should top managers take these factors into consideration?
2 Frame of References

This chapter provides the frame of references for the thesis. It starts by providing the reader with the context of the topic by presenting the organizational actors in focus, the type of strategies concerned, and the nature of the communication. It then gives a theoretical perspective of the factors identified as crucial for the sensemaking of middle managers during strategic change and the influence top managers may exert on them.

2.1 Middle Managers

In his theory of organizational structure, Mintzberg (1983) made a distinction between three levels: the strategic apex (top managers), the middle line (middle managers), and the operating core (operational level), where the middle line transfers and implements the strategic apex’s strategic decisions to the operation core. Middle managers are the intermediary link between the strategic apex and the operating core. (Mintzberg, 1983; Besson & Mahieu, 2011).

Traditionally, middle managers have been viewed as delegators of tasks; implementing the strategies created by senior managers without much contribution besides supervising, reporting and transporting information from one part of the firm to the other (Thakur, 1998). As firms reorganized through the mid 1980’s-1990’s, the role of middle managers was redefined as a contributing and reflecting part in the process of designing strategy (Balogun, 2003). As middle managers hold a position between the operational level and top managers, they are responsible for making sure that the strategic direction is implemented efficiently. With growth of organizations, the distance or gap between operations and top managers grows larger and therefore a catalyst of information, both up and down the hierarchy of the organization is needed. Middle managers receive directions from top managers which they interpret and orchestrate into efficient activities based on their tacit knowledge received by communicating and interacting with operations (Balogun, 2003). Middle managers act like a bridge, connecting the operations with top managers.

2.2 Top Managers

Mintzberg (1983) refers to top managers as the strategic apex. Menz (2012) defines top managers as a group of individuals at the very highest layer of the organization that holds executive powers. What defines top managers in firms is the responsibility and the orchestration of strategy and control. As governing organs of the organization at whole or head functions, top managers design and decide upon strategies. Their decisions are based on the external environment and the information drawn from lower level managers, who hold information regarding more detailed operational knowledge (Menz, 2012). Strategy creation is the main task of top managers, along with coordination of departments to fit in line with the overall strategic direction of the firm (Alexiev et.al, 2010).
2.3 Strategic Change

2.3.1 Organizational versus Strategic Change

Micklethwait (1999) states that just like in politics, change is the only constant in business (Kitchen and Daly, 2002). According to Andrews (1987), strategy is the pattern of decisions that companies use for achieving their goals and objectives. This paper sets itself in the context of strategic change. Lynch (2009) puts an emphasis on the importance of distinguishing between organisational change and strategic change. Organisational change involves the short-term changes that happen in the daily activities within organisations, whereas strategic change comes as a planned set of operations with the aim of moving the organisation towards its desired goals. Strategic changes have a great impact on the company from top to bottom. Hofer and Schendel (1978) define strategic change as “changes in the content of a firm's strategy as defined by its scope, resource deployments, competitive advantages, and synergy” (Naghibi & Baban, 2011, p. 542). Such changes seem to be the result of proactive initiatives by organisations; meaning that the company takes the action to set new genuine directions for the company and manage their impact on employees being affected (Lynch, 2009).

2.3.2 Types of Change

According to Floyd & Lane (2000), strategic change refers to the development and renewal of strategies. To break this down even further, according to Balogun (2008) the type of change is dependent on four factors. The speed of strategic change is usually described as either incremental or radical (big bang) whereas the size or extent of the change is often classified as transformational or realigning.

![Figure 1 - Reconstruction of Balogun's types of change (2008)](image)

Incremental change implies that the change is taking place over time by several step-by-step changes and radical change implies that the change is great and fast. The type of change taking
place is either transformational or realigning meaning that it is either changing or adapting the strategic paradigm or organizational culture. Evolutionary change alters the strategic paradigm over time as common assumptions and perceptions evolve to reach a fit between strategy and structure (Ericson, 2004; Johnson, 1992). Revolutionary changes implies major, fast changes of the paradigm by simultaneous initiatives throughout the organization. Adaptation and reconstruction are changes implemented within the paradigm but with the differences that adaptation is implemented through staged initiatives over time and reconstruction is done in a faster and more dramatic manner.

The goal for organizations is not just to survive but also to create sustainable competitive advantage. Organizations do not exist in a vacuum and so must base their activities on the market in which they operate, either to lead the development or to keep pace with it.

Mintzberg (1985) suggests that reactive or proactive actions stem from either deliberate strategies, which are designed and implemented according to a strict plan, or emergent strategies, which come from internal subsystems of the organization. Most plans are far from immune to resistance so adaptations or alterations of the plan usually occur during the change process, meaning that the concept of purely deliberate or emergent strategies rarely occurs in its pure definition in practice (Mintzberg, 1985). Whether a strategy is initiated from top-down or bottom-up depends highly on the organizational culture and structure but regardless of where the influence comes from, the change must be made to fit the context of the organization, hence alterations to the initial plans may occur.

2.4 Communication

2.4.1 The Importance of Communication During Change

Initiating change in an organization usually represents a critical period that makes communication a complex process (Gioia & Chittipeddi, 1991). Communication is essential for corporations’ health and performance (Harshman & Harshman, 1999; Lyden & Klengale’s, 2000) and a key factor for a successful strategic change implementation (Daly & Kitchen, 2002; Balogun, 2006). Weick (1995) stresses the importance of understanding communication: "If the communication activity stops, the organization disappears. If the communication activity becomes confused, the organization begins to malfunction" (Weick, 1995, p. 75).

Therefore, every organization has to find ways to build and manage effective relationships with its stakeholders, internally and externally. This can be reached by establishing corporate communication, Cornelissen (2010) provides an overall definition of corporate communication: “It is a management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favorable reputations with stakeholder groups upon which the organization is dependent.” (Cornelissen, 2010, p. 5).

When it comes to change, Gilsdorf (1998) argues that there is a direct link between errors in managing change programs and communication failure, the empirical findings of Lewis (1999) go along with this and imply that strategic change and communication in organizations are integrated processes. The correlation between the two processes seems to be positive, where an effective communication in organizations can lead to many optimistic organizational outcomes; such as job
satisfaction, commitment, and an increase in productivity (Zhang & Agarwal, 2009; Bastien, 1987; Malmelin, 2007).

2.4.2 Internal Communication

The previous part represented the essential role of communication during the change process. This part focuses on the relationship between top managers and middle managers within organisations, or the internal communication process. Researches state that internal communication is an essential tool to organizational success and superior performances (Grunig, 1992; Dolphin, 2005; Argenti, 2009). When communicating during change the difficulty lies in how top managers make middle managers understand and support the new strategy. Daly and Kitchen (2002) outline that there is an interrelationship between change management and internal communication.

The role of communication in organizations has been discussed thoroughly in organizational communication research and corporate communication (Daly & Kitchen, 2002). Clutterbuck and Hirst (2002) outline that the main purpose of internal communication lies in assisting people within organizations to work and learn together in order to pursue the creation of mutual values (Clutterbuck & Hirst, 2002).

De Ridder (2003) distinguishes between two goals of internal communication; providing information, and creating a community. Elving (2005) discusses the correlation between these two goals in which creating a sense of community depends on the level of information provided. Communication is therefore a process that is complex in nature and demands an integrated approach to manage it, especially in multinational organizations undergoing change (Daly & Kitchen, 2002). It is an activity-based process that includes spreading the new organizational change strategies to employees in an effective way that enables them firstly to understand the change by answering the question “why go for this change?”, and secondly to inform them how they will be involved in the change strategy in order to make them accept the new views and goals (Elving, 2005). Internal communication is by its nature a tool that shapes the sensemaking of the receiving end, the way in which organizations conduct their sensegiving will layout the base for what the information will result in. The following section presents the concepts of sensemaking and sensegiving with details.

2.5 Sensemaking and Sensegiving

Many scholars have used sensemaking and sensegiving in order to better understand how individuals interact with each other during strategic change (Gioia and Chittipeddi, 1991; Rouleau, 2005; Balogun 2003, 2006, 2007; Balogun et al 2003; Balogun and Johnson, 2004; Haag et al, 2006; Herzig and Jimmieson, 2005). Rouleau (2005) gives an interesting definition:

“Sensemaking has to do with the way managers understand, interpret, and create sense for themselves based on the information surrounding the strategic change. Sensegiving is concerned with their attempts to influence the outcome, to communicate their thoughts about the change to others, and to gain their support” (Rouleau, 2005, p.1415).

The two concepts of sensemaking and sensegiving were first considered by Gioia and Chittipeddi (1991) in an attempt to dig deeper into the initiation of strategic change, and understand how members within organizations interpret and react to change. Gioia and Chittipeddi (1991) see
the two concepts in a cognitive cycle highly dominated by phases of understanding and influencing. Weick (1995) adds a new social emphasis to the cognitive one and argues that sense creation is a result of social as well as cognitive processes.

A model introduced by Gioia and Chittipeddi (1991) summarized sensemaking and sensegiving processes in the initiation of strategic change:

- The first stage includes sensemaking, where top managers try to build a new guiding vision for the organization (envisioning).
- The second stage involves communicating the new vision to other stakeholders through sensegiving efforts by top managers (signaling).
- In the third stage, stakeholders try to understand and interpret the new vision proposed by making sense to themselves (Re-visioning).
- The fourth stage is responding and making commitment to the new vision through sensegiving efforts by those stakeholders (Energizing). This stage is the beginning of a wide communication process within the organization. The loop from stakeholders to top managers indicates that modifications can be made to the new vision by sensegiving attempts.

Hopkinson (2001) brings an interesting contribution by suggesting a two-step communication process during sensegiving. The first stage, selecting, is when the sense giver chooses the elements that he/she will use to translate the message. The second step is when the individual chooses words and symbols that belong to the sense maker’s language, connecting. This contribution has great implications since it suggests a severe degree of subjectivity in the sensegiving process the sense-giver filters the information twice, once for him/herself and once according to his/her
beliefs regarding the other person. Considering little information goes upstream due to top managers neglecting subordinate's opinions on strategy (Ikävalko et al 2001, Balogun 2006, Conway et al 2011), and downstream information goes through middle managers, it suggests a great level of distortion between the original sensegiving and the end of the line sensemaking and a lost of touch with current situation on behalf of top managers (Ikävalko et al 2001, Balogun 2006).

Even though it can be argued that top managers have some degree of control over the way strategy is made sense of, the subjectivity factor strongly affects the strategy initiated by top managers (Balogun 2006). “Change recipients actively translate and edit plans to create change” (Balogun 2006, p.41). In the case of middle managers being the change recipients and during their attempts to make sense of the new change strategies presented to them, some factors might evolve which affect their response to change. The next part presents and discusses some of these factors.

2.6 Factors Affecting Middle Managers’ Sensemaking

2.6.1 Uncertainty

Human beings are afraid of uncertainty (Eby et al, 2000). Change within organizations inevitably brings uncertainty, which explains the tendency to resist the change before understanding its need (Eby et al, 2000). Brashers (2001) defines uncertainty as a state in which an individual faces ambiguity regarding the outcomes of different actions due to the unpredictability of the situation or a lack of information. In their study, Currie et al (2011) note that most middle managers feel like they are given inconsistent information which is sometimes in direct contradiction with other sources of information.

McKinley and Sherer (2000) explain that the traditional top-down approach to strategy often creates a separation between top managers, who create the strategy, and middle managers, who implements it. This often leads to a large amount of confusion regarding the way to implement the strategy and often results in middle managers distorting top management’s vision. Herzig and Jimmieson (2006) explains in a broad manner that there are three major factors affecting middle managers’ uncertainty; the level of involvement in the creation of the strategy, the quality of information given by top management, and the level of support they feel they receive from others. Further in their research, Herzig and Jimmieson (2006) divide uncertainty into two major chronological periods; prior to implementation, and during implementation. They explain that during the pre-implementation phase, middle managers are mostly uncertain about the strategic concept of the change. During the implementation, they identify three major sources of uncertainty; how to turn the conceptual understanding of the strategy into concrete plans, how to implement the strategy, and how to support employees during the implementation.

Proctor and Doukakis (2003) give an important insight when suggesting that giving information should not limit itself to the original communication of the strategy. Rather, they argue that it should be an ongoing process that accompanies middle managers throughout the strategic change, informing them about evolutions and changes in the strategy in order to avoid uncertainty.

Sometimes uncertainty is a positive tool for top managers. During a heavy organizational restructuring that will lead to layoffs, it may be better to keep middle managers uncertain about the outcome than certain about losing their jobs (Herzig and Jimmieson, 2006). This is when uncertainty is the result of transparency politics.
Bartunek et al (2006) suggest that when middle managers are uncertain due to a lack of information, they still attempt to make sense of the strategy. The interesting part is that middle managers are likely to judge top managers as inconsistent if the implementation does not match their mental representation of it, even though top managers were consistent with their original strategy (Bartunek et al 2006). This shows that uncertainty can lead not only to a rejection of the strategy but also to a decrease in trust in the top managers. Furthermore, uncertainty is likely to push middle managers toward interpreting the change according to their personal stakes.

2.6.2 Personal Stakes

Strategic change inevitably brings a change on the individual level. Herold et al (2007) claim that many studies have overlooked the impact of strategic change on the way it affects personal stakes. Resistance can be expected when the outcomes of the strategy on the individual are negative (Lines, 2004). As the strategy’s outcomes are made sense of by strategy recipients, Lines (2004) argues that their response to change will stem from a comparison between the perceived outcomes of change and the individual’s goals and values. This often leads to conflicting objectives creating confusion, lack of motivation, and resistance (Conway 2011). As change is made sense of, the new roles are being understood and interpreted to match personal agendas including future ambitions (Saari and Talja, 2009).

Bartunek et al (2006) make an interesting point when they claim that change initiators usually judge a strategy according to the organizational outcomes it brought while change recipients will often judge it in the way it has altered their individual work. Herold et al (2007) put forward that there is a strong correlation between commitment to change and the ways in which both jobs and work units are affected by change. Machiavelli (1993) brings it a step further by categorizing recipients of change into two types; the ones whose personal stakes will be hurt by the change, whom he calls the enemies of innovators, and the ones whose personal stakes are likely to be improved, the defenders of innovators. Giangreco & peccei (2005) found through their research that middle managers respond to change based on a cost/benefit approach; if the individual manager expects that the change will bring more negative than positive consequences, they will resist the change. Chuang (2006, p.138) develops the argument and claims that the degree to which “change is accepted depends on the specific change and individual conditions and perceptions. Acceptance or rejection often depends on the personal loss or gain that will result from the change in the tangible areas of, for example, money, visibility, working conditions, authority, or responsibility, as well as from intangibles including status, recognition, feeling of importance, and security”.

A change in strategy will add extra work to middle managers and if they feel that this overload interferes with their personal interests, there is risk for resistance.

2.6.3 Overload on Middle Managers

Work overload is a major source of resistance to change (Balogun 2003, 2006; Lines, 2004; Besson and Mahieu, 2011; Bartunek et al, 2006). During strategic change, little time is granted for middle managers to make sense of information about the intended change (Balogun, 2003). Furthermore, top managers often add the design of operational implementation plans on top of their regular tasks (Balogun, 2003). Lines (2004) suggests that the increased workload is a big factor of resistance during strategic change. Top managers often overlook the time required to make sense of strategies (Balogun, 2006). This intensifies the workload of middle managers to a great extent.
Since time is a scarce resource, this results in middle managers having to face a trade-off between embracing the new strategy and carrying out their regular work schedule (Besson and Mahieu, 2011). Bartunek et al (2006) argue that middle managers might have very well understood the strategy communicated by top managers, but the addition of work associated with the change will pollute their perception of it and is likely to trigger a negative response to change.

2.6.4 Trust

Proctor and Doukakis (2003) define trust as “a belief that those on whom we depend will meet our expectations of them” (p.273). Eby et al (2000) explain that a big factor in accepting change is whether or not individual managers feel like they can trust top management. They present trust as a result of top managers’ involvement, engagement, and presence during strategic change, which other scholars have qualified as support.

Support has been found to be a serious factor for successful implementation (Balogun and Johnson, 2004; Herzig & Jimmingson, 2006; Proctor and Doukakis, 2003; Herold et al, 2007). Herzig and Jimmingson (2006) explain that subordinates must feel support rather than control. It has been found that endorsement plays a big role in conveying this feeling and that it encourages proactivity and increases motivation (Herzig & Jimmingson, 2006; Saari and Talja, 2009). Middle managers want to visually see the presence of top managers during change in the form of attending meetings, seminars etc. (Herzig & Jimmingson, 2006), they want to see that top managers care about their task and input (Proctor and Doukakis, 2003). Herzig and Jimmingson (2006) bring the idea of support rather than control a step further by suggesting that top managers should make middle managers feel that they have the autonomy to act and take decisions during strategic change. According to them, it makes middle managers feel that top management puts trust in their ability to handle change. Autonomy involves a certain level of responsibility which top managers must handle carefully. In their study, Herold et al (2007) explain the importance of identifying the skills of individuals during change. They particularly stress the idea that a performance improver during strategic change is to identify and give key roles in the change to individuals that have an interest or an ability to handle change. They underline the role of self-confidence during change. Self-confidence as a result of one’s past ability to adapt.

Eby et al (2000) explain that the employees’ historical experience of change in the organization is crucial. When the company has a record of negatively experienced change implementation, individuals are more likely to resist changes. Many scholars have underlined the idea of consistency in the long-term (Eby et al, 2000; Holt and Self, 2003; Herold et al 2007; Ford et al, 2008; Lamberg et al 2008). Ford et al (2008) blame top managers for contributing to resistance when they behave inconsistently with agreements made with middle managers. Periods of strategic change are more sensitive since practices are being altered and therefore promises are more likely to be broken. Lamberg et al (2008) argue that inconsistencies in the corporate long-term strategies have adverse consequences on the way strategies are being received and implemented by subordinates. Indeed, the lack of consistency at the top leads to a lack of cohesiveness at the subordinate levels and ultimately, a deterioration of performance. Lamberg et al (2008) find that political struggles between top managers push them toward making strategic decisions that they have direct power over and that do not need the agreement of other internal political coalitions. When this comes into collision with the corporate long-term strategies, it decreases their credibility in the eyes of subordinates, and thereby deteriorates the trust. Consistency in decisions from top managers is
therefore important in creating a feeling of stability which strengthens the trust from middle managers (Bartunek et al, 2006).

2.6.5 Transparency

Procter and Doukakis (2003) are in favor of creating an open information climate within organizations, they believe that it leads to more effective sensemaking on behalf of employees, who will be able to bring precious inputs to the strategy. In the case of communication during change, providing information will be one of the biggest tasks of top managers; “One of the main purposes of change communication should be to inform the organizational members about the change, and how their work is altered because of the change. This informative function of communication will have an effect on readiness for change” (Elving, 2005, p. 132).

It is important to develop the same level of understanding among employees because what is seen sometimes as a fundamental change and a potential opportunity by senior managers can be seen as having unnecessary activities by middle managers and employees. This results in a gap between different organizational levels which can lead to problems in the estimation of the amount of efforts required to implement the change later on (Reichers & Wanous, 1997). Therefore top managers should make sure to disclose the most relevant information in order to have a sound organizational community.

Transparency is about sharing information, providing visibility to stakeholders about the business functions: “Transparency refers to the possibility of accessing information that have been intentionally revealed through a process of disclosure” (Turilli & Floridi, 2009, p. 105). So instead of selling solutions to other employees it is better to enroll them in the change process and make them understand the change objectives in order to build solutions together and establish a mutual feeling of responsibility (McDonald, 2010). It has also been regarded as a business priority and an obligation function to willingly share information with internal stakeholders before they are ready to undergo deep change. Jones and Leonard (2009) highlight the importance of managing disclosed information within organizations; they discuss how sharing information can potentially hurt the organization when employees are no longer in the company and the information is spreading elsewhere. Hence, the level of transparency between top managers and middle managers in the sensegiving phase will inter-correlate with the extent to which middle managers are involved in the creation of strategic change.

2.6.6 Involvement of Middle Managers in Strategy Formation

The extent to which top managers should involve middle managers in the strategy formation and the nature of their participation is infinite and very context dependent. For this reason, this study will simply mention the two major ways in which middle managers can influence the strategy formation; process control and decision control (Houlden et al, 1978; Early and Lind, 1987). Process-control was first introduced by Houlden et al in their 1978 work in which they defined it as the opportunity an individual is given to express his/her opinion about a decision before it is taken. Decision-control grants more power to the individual since it enables him/her to veto a decision (Early and Lind, 1987). While the former one gives the individual a consulting role, the latter one gives the individual the legitimate right to block decisions. In his findings, Lines (2004) suggests that granting process-control to subordinates has a positive effect on the success of implementation while decision control has a detrimental effect. Throughout this study, the reader
must keep in mind that the focus is put on process-control and why it should be considered by top managers.

Based on their mediating role, middle managers seem to be the most relevant employees to be considered in the strategy formation (Saari and Talja, 2009). Middle managers have been regarded as important strategic assets and an essential source of providing information to top managers due to their social position in organizations (Floyd & Wooldridge, 1994; Pappas & Wooldridge, 2007; Saari and Talja, 2009). This position gives them access to operational knowledge that top managers do not grasp to the same extent (Pappas & Wooldridge, 2007). Including subordinates in the formation of the strategy brings a different insight to top managers as it enables them to gather a wider set of relevant skills and more information throughout the decision process, which leads to qualitatively better decisions (Lines, 2004; Bower and Gilbert, 2007). Lines (2004) also argues that including subordinates enables a reduction of political struggles during the implementation since potential clashes can be brought up early on in the process.

Bartunek et al. (2006) explain that the involvement of middle managers has a huge impact on their sensemaking and their responses to change initiatives. They argue that change recipients have feelings toward the change and these feelings strongly affect the way they make sense of strategic change. They state that participation in the creations stage actually alters the way employees look upon gains and losses from strategic change and further push the argument by stating that employees who participate in change initiatives value the gains higher than those who did not get involved. This indicates that it is within the role of top managers to establish a readiness stage during pre-implementation which will enable managers to better cope with change. Armenakis and Harris (2002) describe readiness as a cognitive basis to the behavior of middle managers either in supporting or resisting change. Success of change in organizations then depends on the ability of top managers in making middle managers capable of absorbing change and eventually implementing it (Robertson et al., 1993; Wooldridge & Pappas, 2007). Lines (2004) explains that including subordinates subject to change in the formation phase strongly increases the level to which they make sense of the strategy and to which they commit to it. Holt and Self (2003) bring it further when explaining that the way an individual relates to change with regards to the intellectual insight, the skill acquisition, and the change motivation is strongest when this occurs in an active context that enables subordinates to participate in the formation of change.

Some researchers in the field claim that the benefits of the involvement of middle managers in the strategy formation largely depends on the corporate culture in which they find themselves (Herzing and Jimmieson, 2006; Lines, 2004). Lines explains that in strict top-down organizations where subordinates are rarely asked to contribute, there is a likelihood that the participative initiative will be rejected by subordinates. Saari and Talja (2009) explain that there is an increasing need for middle managers to be a part of the long-term discussions over contents and future directions.

Involving middle managers in the formation of strategic change enables to somewhat unify the vision individuals within the firm have about the strategy (Lines, 2004).

2.6.7 Common Vision of Change

In order to successfully implement strategies, there must be a shared vision of why the changes are needed (Gioia 1991, Rouleau 2005, Balogun 2006). This vision will enable a more profound understanding of how the change affects the different corporate actors (Gioia 1991, Rouleau 2005,
The lack of a common vision is one of the major sources of confusion for middle managers (Herzig and Jimmieson, 2006). Giving sense to middle managers of how they contribute to the overall strategy and giving them a chance to position themselves in the broader picture gives meaning to their involvement in strategic change and enables them to understand why the change is needed, it enables them to become a part of the vision (Dourish and Bellotti, 1992; Proctor and Doukakis, 2003).

During strategic change, individuals must alter their schemata, which is the mental representation and memory models that help individuals understand their environment (Balogun, 2006). Ultimately, under change periods, these schemata need to adapt to the new corporate environment triggering a change in perception as well as behaviour (Eby et al 2000, Balogun 2006, Englund and Gerdin 2012). Balogun (2006) argues that under stable periods, the schemata enables a person to act and react in a preprogrammed way to organisational life. Under strategic change, she explains that individuals must be more considered and must rebuild their schemata so as to match their new perception of the organization. An important point is that everything that does not fit into an individual’s existing schemata leads to sensemaking and during change, the intensity of these “sensemaking triggers” (Balogun 2006, p.31) increases substantially, pushing people towards sensegiving sources. These sources may be found horizontally or vertically, in a formal or informal context. Most of the sensemaking is done horizontally in an informal manner (Rouleau 2005, Balogun 2006). Consequently, top managers have little direct control over the sensemaking done by middle managers once the strategy is under implementation. Furthermore, Bower and Gilbert (2007) explain that in large corporations, the level of control over middle managers is weak and that under strategic change, the first sensegiving of the strategy is decisive since middle managers will quickly shape their actions according to their perception of the change. For this reason, it is crucial that top managers create a strong vision to which middle managers feel that they belong.

Furthermore, middle managers are the ones who translate information between the different levels of the organization (Herzig and Jimmingson, 2006). Middle managers are the ones who give sense of the vision to their subordinates, which top managers have little influence over (Balogun 2003).

Burnes (2004), who did an in depth analysis of K. Lewin’s contributions in change theory suggests that felt-need is an important component of change. He defines it as “an individual’s inner realization that change is necessary” (Burnes 2004, p.984). In situations when there is a low felt-need for change, implementation becomes problematic. In order for strategic change to be implemented successfully, individuals must be given information that enables them to understand the totality of their involvement (Burnes, 2004).

Chuang (2006) argues that the success of implementation largely depends on the ability top managers have to communicate a vision in which potential resistance on behalf of subordinates has been taken into consideration. He believes the perception of change is often simplified. According to him, individuals have different representations of the reality of change since they do not encounter the same conditions. Chuang (2006) believes that the reason for why people respond to change in different ways is largely due to an unclear vision of the change and to individual characteristics and attributes. Lines (2004) agrees with this and states that more top managers should put efforts into creating a vision for subordinates that they can believe, identify, and commit to.
3 Methodology

The research approach and research strategy as well as data collection are presented and argued for with relation to the purpose of the thesis. Ways of analyzing the collected data and measuring their trustworthiness are also included in this chapter.

Choosing the appropriate method that helps in answering the research purpose is a vital decision the authors must take. The purpose of this thesis is to explore factors that influence the sensemaking of middle managers during strategic change, and how top managers may influence these factors by making sense of them prior to the formation of the strategy. In order to gather relevant data that addresses this purpose, qualitative research method has been chosen.

There are three different categories of research purpose: exploratory, descriptive, and explanatory (Saunders, Lewis & Thornhill, 2009). Our purpose can be regarded as being an exploratory one. Exploratory studies are helpful in developing a greater understanding on a certain phenomenon. Robson (2002) defines an exploratory study as “a means of finding out and assessing phenomena in a new insight” (Saunders et al, 2009, p. 138). This kind of studies is regarded as being flexible and can easily be adapted to changes throughout the research. Adams and Schvaneveldt (1991) state that this does not mean that exploratory studies lack an inquiry direction, rather they start with a broad focus and gradually get narrower as the research develops (Saunders et al, 2009).

3.1 Research Approach

Formulating a research question to understand reality based on the theoretical framework is critical. Indeed, it must use previous knowledge and transform it into a legitimate heuristic research question. The two traditional approaches of inquiry examining the relationship between the nature of knowledge and reality are deduction and induction. The main difference lies in the starting point being either theory or empirical data, as shown in Figure 1 below.

![Research Approach: deduction, induction, abduction. Alvesson and Sköldberg (1994) p.45](image-url)
Deductive reasoning is a "top-down" process that begins with theory and develops later into testable hypotheses and eventually empirical findings. In contrast, inductive reasoning involves movement from specific cases into generalization; a "bottom-up" process starting with observing specific patterns and formulating testable hypotheses until finally ending up by developing conclusion and theory (Hyde, 2000).

Choosing one research approach or combining more than one is an important decision by the researchers. Saunders et al (2009) state that it is usually more valuable to combine the two approaches of deductive and inductive in one research. Blaikie (2007) argues that the two approaches introduced earlier are seen as linear processes. A research process usually requires a more complex relation between theory and empirical findings. This can include the usage of both deduction and induction approaches within the same research, what has been introduced as the abductive approach of going back and forth between theory and reality, as seen in Figure 1.

Dubbois and Gadde (2002) relate to the abductive logic as “systematic combining”. They discuss that systematic combining involve directing and redirecting the research in terms of going back and forth between theory and empirical findings, making the confrontation process of theory to empirical findings continuous; a “non-linear, path-dependent process of combining efforts with the ultimate objective of matching theory to reality” (Dubbois and Gadde, 2002, p. 555).

In this research, after choosing the theoretical area of middle managers within strategic change, the first interview with a management consultant (Peter Enberger) was conducted. This enabled us to get a more directed insight into the field and thereby focus on sensemaking and sensegiving (deduction). In order to get a better understanding of the ideas extracted from this interview, it was necessary to go back to the literature. This eventually led us to formulate a precise research question (induction). A couple of interviews with top and middle managers have been conducted later with the aim of digging deeper into the way managers create and interpret strategic change.

3.2 Research Strategy

Blaikie (2007) defines research strategies as being "logics of enquiry required to answer research questions and generate new knowledge” (Blaikie, 2007, p.2). Saunders et al (2009) discuss the aspects that should be taken into consideration when choosing the relevant research strategy that will help in guiding the authors into answering the research questions. The choice will be dependent on the research objectives, the existing theories, access to appropriate resources such as time, as well as the authors’ ethical foundation (Saunders et al, 2009). They also emphasize that superior or inferior research strategies do not exist, rather what determines the importance of the strategy chosen lies in whether it answers the research question and meets its aim.

There are different research strategies such as experiments, surveys, case studies, action research, grounded theory, ethnography and archival research (Saunders et al, 2009). Since our research is exploratory, the grounded theory strategy seems to be most suitable. It consists in developing a theory from combining inductive and deductive approaches (Saunders et al,
The origins of the grounded theory strategy was introduced by Glaser and Strauss (1967) who defined it as “discovery of theory through social research” (Egan, 2002, p. 277). This kind of strategy is mostly useful in research that includes prediction and aims at explaining people’s behavior (Goulding, 2002). Egan (2002) and Suddaby (2006) argue that when explaining the strategy of grounded theory, it is better to consider what grounded theory is not since the definition might seem over-simplified, they argue that grounded theory is not a strategy where theories should be ignored. Rather, they explain that a general understanding of relevant theories connected to the phenomenon under study is essential to start this kind of research strategy. However, Suddaby (2006) puts an emphasis on remembering that grounded theory is an interpretive process that authors should look upon as highly creative work. This lies on the same line with the argument held by the founders of this strategy (Glaser & Strauss, 1967) about how theory is emerged from a comprehensive analysis of the data collected. Based on this assumption, Saunders et al (2009) stress that preconceived theoretical framework should be set aside before and during theory building in order to be unbiased. Grounded theory is not an easy process. A major drawback involved is what Suddaby (2006) refers to as being a “messy” process that demands establishing tacit knowledge by the authors through feeling their collected data in order to have a sound analysis at the end.

3.3 Qualitative Method

The two most common research methods are qualitative and quantitative. The method chosen for this paper is qualitative. The purpose of qualitative research is to address and uncover a phenomenon thoroughly based on words and perceptions which will help influencing future thinking (Johnson & Christensen, 2008). Many definitions of qualitative research can be found in literature concerning research methods. It has been defined as an inquiry tool that helps in understanding the meaning of people’s social life (Shank, 2002; Ritchie and Lewis, 2003). The definition provided by Merriam (2009) goes along with this and states that qualitative research is about understanding how people make sense of their world based on their experiences.

Consequently, qualitative research seems more appropriate for investigations that are difficult to obtain through quantitative methods since it provides an in-depth approach when addressing the research problem (Guest et al, 2012). Considering the complicated social practices of sensemaking and sensegiving that this paper deals with, qualitative research seems to be valid and relevant.

3.4 Data Collection

Guest et al (2012) outline three major ways of doing an exploratory study: researching the literature, interviewing experts in the subject, and carrying out focus group interviews. The first two ways have been used for gathering the needed information; secondary data has been collected first through an intensive research in the literature regarding sensemaking and sensegiving practices, strategic change and middle managers role during change. Secondary research involves data that has already been collected and analyzed for other purposes (Neu-
Therefore, it is hard for researchers to find all the data needed for addressing their purpose. Primary research aims at fulfilling this gap.

The set of empirical findings in this paper is the result of our primary research; which reflects the authors’ contribution in collecting data (Patton, 1990). Primary data are collected with the aim of fulfilling a specific research purpose: “the most important advantage of collecting one’s own data is that the operationalization of the theoretical constructs, the research design, and the data collection strategy can be tailored to the research question” (Hox & Boeije, 2005, p. 594). Nevertheless, the high cost and time issues connected with the primary research should be considered as being the main drawbacks (Hox and Boeije, 2005). The collection of data in this study is done through interviews.

### 3.5 Interviews

The usefulness of conducting interviews is highly dependent on the skills of the interviewer in terms of structuring the interview, the ability to listen carefully as well as communicating with the interviewees (Newton, 2010). The three most common types of interviews are: structured interviews, semi-structured interviews, and unstructured or in-depth interviews (Saunders et al, 2009). The choice of which type to adapt is significant as there should be a consistency between the nature of the interview and the research question (Saunders et al, 2009). In this research, we chose to use the semi-structured interview. This enabled us to get away from the standardization of structured interviews that involve identical set of questions, and the unstructured interviews which are highly informal and maintain a general in-depth approach. In semi-structured interviews, a set of themes and questions are to be covered during the interview. These questions are not fixed and can be changed from one interview to another depending on the context of the interview and the flow of the conversation (Saunders et al, 2009). In exploratory studies, in-depth interviews and semi-structured interviews are useful (Saunders et al, 2009).

In this qualitative research we are trying to uncover managers’ perspectives and interpretations in order to understand how and why strategy is altered by sensemaking and sensegiving. Considering this, semi-structured interviews enable us to get into a discussion with the interviewees, inviting them to give sense of the way they perceive this process, and potentially suggesting possible improvements to the current way strategies are being designed and communicated within their organization. Zami and Lee (2009) state that semi-structured interviews help in staying focused so as to guide the interviewees towards answering the issues that bring value to the research.

The interviews’ structure is also open to debate. In our case, we are searching for an understanding of the situation from an empirical perspective, and ultimately, we search for new insights to an organizational issue. These insights are most likely to emerge from a synergy created by different interviews. Being the ones subject to strategic change, interviewees are most likely to have suggestions to improve the current strategy formation process. This implies that the questions need to be open-ended; which enable the interviewees to widely express their opinions and beliefs.
Ties must be built among interviewees in order to draw more elevated conclusions. The aim here is to “understand the process by which actors construct meaning out of intersubjective experience” (Kvale et al 1996, p. 636). The trap is the double subjectivity issue. Indeed, we first interview a person who provides an answer from a very subjective perspective, and later on, we analyze these subjective results with our own paradigms. Kvale et al. (1996) argue that researchers tend to identify the results that confirm their pre-existing beliefs.

### 3.6 Selection of the Respondents

In this study we combined three major sampling techniques: theoretical, convenience, and judgmental sampling. Theoretical sampling is the process of collecting new data in order to push further an already existing theoretical argument. Convenience sampling occurs when the researchers choose the most accessible elements in a sample. Even though it has the advantages of being less costly and less time craving, its major weakness is that theoretical statements cannot be constructed from them, considering that the sample is not representative of the target group. The third sampling strategy, judgmental sampling, is based on who the researchers believe are relevant for the research conducted (Martin, 1996).

These three sampling techniques were combined, in a chronological order. Firstly, based upon theoretical background, we determined which theories we would like to push further. Deep interest was found in the sensemaking and sensegiving during strategic change, but also the focus on the relationship between middle managers and top managers. Secondly, the convenience sampling was used in order to determine who can be reached considering the lack of time, money, but mostly the lack of authority that bachelor students have. Thirdly, looking at who was reachable, we chose the ones who can bring most value to our research.

The size of the sample is an issue of confusion in qualitative research (Sandelowski, 1995). Mason (2010) argues that the optimum sample size in qualitative research should be large enough to make sure that all the relevant information under study is uncovered. However, in a too large sample the chance of accumulating repetitive and excessive data is high. He believes that sample sizes in qualitative research are smaller than those in quantitative research, since qualitative research is about gaining a significant understanding rather than generalizing a hypothesis. Reid’s (1996) argument falls on the same line; he states that the purpose of the sample in qualitative research lies in providing information-rich data and not to represent a large group (Sale et al, 2002).

At the beginning, we were faced with two major options: either do a case study, or conduct interviews with middle managers and top managers independent of each other. Considering most of the research on the field is based on case studies following the strategic change over a long period of time (most often from creation of strategy to implementation), and our small time range relative to the implementation of a strategy, we decided to isolate middle managers and top managers from their organizational environment. The technical advantages of this approach are that interviews do not need to be conducted more than once per individual, and interviewees will not consider their peers’ possible answers before answering, giving more authentic and diversifiable answers. The analytical advantages of having interviewees from different companies are that we will be able to find patterns and common weaknesses and
strengths. It also gives us the opportunity to interview people such as strategy consultants; people who are experts in the field and therefore will bring valuable input into this search. The major weakness is that the evolution of the strategy will not be followed, and that we will not be able to analyze the way a middle manager and a top manager look upon the same situation. However, the advantages associated with the isolation of interviewees counterbalance this major drawback since it enables to identify common patterns across organizations. The main point is that conclusions will be drawn from a wider organizational audience than if a case study was conducted.

The respondents are presented in the table below:

<table>
<thead>
<tr>
<th>Referred to as</th>
<th>Name</th>
<th>Company</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant 1</td>
<td>Peter Enberger</td>
<td>Trygghetsrådet</td>
<td>Management consultant, previously top management positions.</td>
</tr>
<tr>
<td>Consultant 2</td>
<td>Patrick Oger</td>
<td>CEPIG</td>
<td>Management consultant, previously top management positions.</td>
</tr>
<tr>
<td>Manager 1</td>
<td>Bruno de Langre</td>
<td>Atos</td>
<td>Manager - defense and security department.</td>
</tr>
<tr>
<td>Manager 2</td>
<td>Sophie Spilliaert</td>
<td>INPI</td>
<td>Chief Financial Officer.</td>
</tr>
<tr>
<td>Manager 3</td>
<td>Andreas Fhält</td>
<td>OEM Internatio-</td>
<td>Member of head company management. In charge of establishment in China.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>nal AB</td>
<td></td>
</tr>
<tr>
<td>Manager 5</td>
<td>Lars-Göran Hansson</td>
<td>Ericsson</td>
<td>Senior expert, Stockholm. Held different top managerial positions at Ericsson.</td>
</tr>
<tr>
<td>Manager 6</td>
<td>Bo Westerberg</td>
<td>Ericsson</td>
<td>Vice president Ericsson Spain. Held different top managerial positions at Ericsson.</td>
</tr>
</tbody>
</table>

Table 2 - Presentation of respondents

3.7 Data Analysis

The significant process that comes after collecting the data needed is to analyze and make sense of it. This must be done in terms of making explanations and building understandings of the different situations concerning the people involved in the investigation, what has been introduced by Seidel (1998) as “qualitative data analysis” (QDA). He developed a helpful model that explains the data analysis stage in three processes: Noticing, Collecting, and Thinking
(as shown in Figure 3 below). Those three parts are interrelated and cyclical as well as dynamic. As one enters the thinking stage, other interesting ideas will soon be noticed and then the collecting stage starts (Lewins et al, 2010). This makes QDA very progressive and infinite, it is also a repetitive process that might bring the author back to prior stages.

Seidel stresses about the complexity involved in this process; it is based on an interpretive approach that authors should follow (Lewins et al, 2010). The whole aim behind QDA lies in breaking the data into fragments and tries to search for a pattern that combines the data together in a meaningful way (Lewins et al, 2010).

Figure 4 - Qualitative Data Analysis, Seidel (1998)

In our research, the QDA process started with collecting data where we went through transcribing the interviews from Swedish and French to English word by word, our goal was to try to find common aspects throughout the transcription process. The second step was thinking about our data where we tried to search for patterns that link data together and structure them in a meaningful way. The thinking process came in parallel with the noticing process in our case in the way of going back to the collecting process after thinking about our data and noticing more interesting things to investigate. Kelle and Seidel (1995) outline the importance of “coding” in this step as being the collection points of significant data and facilitating the analysis process in later stages, they refer to them as “objective transparent representations of facts” (Lewins et al, 2010). We sorted out the data from our primary research into seven parts. The factors that influence the way middle managers respond to change; uncertainty, personal stakes, overload, and trust. The factors that influence the previously mentioned factors; the internal information transparency and the involvement of middle managers in the strategic change formation. The last part presents middle managers’ vision of change.

Since the empirical data is collected from Swedish and French managers/consultants operating in Sweden, France, and Spain, our initial intention was to apply a cultural lens to the research. We expected to find interesting differences in the way top managers look upon the formation of strategies and middle managers’ response to change. Surprisingly, the results did not suggest relevant differences in their approach to the issues studied in this paper. Therefore, the interviews are analyzed without making a separation between the national cultures.
3.8 Trustworthiness

Richards (2005) emphasizes the importance of measuring the quality of the data collected in qualitative research in terms of their trustworthiness and how reliable the conclusions are. As Guba (1981) introduced, there are four criteria to be considered when evaluating the qualitative data: credibility, transferability, dependability, and confirmability.

*Credibility* in terms of internal validity. Researchers should question whether their findings are similar to reality (Shenton, 2004). A constant evaluation of our findings was held where we determined how the findings represent a realistic insight of the frame of references. Credibility also takes into account whether the researchers affect the interviewees in their behavior and feelings while answering and also when analyzing the data. High level of objectivity is required in qualitative research (Lantz, 1993). We tried to be as objective as possible by not including our beliefs and expectations when transcribing the interviews. Moreover, to increase the credibility of our findings, the interviews were recorded and transcribed in details directly or as soon as they took place. Shenton (2004) puts an emphasis on the need for a “thick description” when transcribing interviews in order to convey the actual situation.

The second criterion deals with *transferability* or the extent of generalisability; how the findings are applicable in other studies (Shenton, 2004). Some researchers believe that generalisability is never possible in qualitative research since the findings are highly context-sensitive (Erlandson et al, 1993). Stake (1994) provides a different view and argues that even though qualitative findings are context-dependent, they still represent a wider group and thus the possibility of transferability should not be neglected (Shenton, 2004). We can say that a possibility of generalizing our findings exists to some extent, as we interviewed managers from different sectors and their views about sensemaking and sensegiving during strategic change seemed quite similar. Furthermore, having interviewed two management consultants has brought great value since their everyday task is to improve management issues within organizations. They get to collaborate with a wide range of firms; which enables them to get a fair picture of the management practices across industries.

*Dependability* is the third factor and it addresses the issue of reliability. Guba (1981) argues that there is a strong connection between credibility and dependability (Shenton, 2004). The transcriptions were sent to our interviewees to read and approve them and point out any errors when necessary. This brings a high level of credibility to the interviewees since it enabled them to correct the potential translating bias that could have emerged from transcribing.

*Confirmability* in terms of objectivity is the last criterion; Patton (1990) highlights the complexity in ensuring pure objectivity in qualitative research as biases is unavoidable (Shenton, 2004). However, being three people working on this research created an internal debate which confronted the subjectivity from three different personal paradigms. This internal debate brings this research a step closer to objectivity.
4 Empirical Findings

This chapter summarizes the collected empirical material regarding factors that influence middle managers’ sensemaking and in effect, top managers’ sensegiving. Considering that the two consultants do not reference to their own organization but rather base their statements on their experience as consultants, a distinction is made in the presentation of the companies.

4.1 Presentation of Companies

4.1.1 Companies - consultants:

- Trygghetsrådet, Stockholm, Sweden. Trygghetsrådet was founded in 1974. Trygghetsrådet has 220 employees. It is a foundation that is based upon a contract between Svenskt Näringsliv and PTK. The foundation aims at helping the restructuring of human resources in private organizations as well as helping individuals find a new job after a layoff. Peter Enberger, the consultant interviewed, works within the branch helping top managers during the restructuring.

- CEPIG, Paris, France. CEPIG was founded in 1965. Their mission is to create a better fit between organisations and their human resources. CEPIG has four major specialties: employer branding, assessment of organizational performance, formation and development of management, individual career assessment. Patrick Oger, the interviewee, belongs to the management formation and development branch.

4.1.2 Companies - managers:

- INPI, Paris, France. INPI was founded 1965. INPI has 742 employees. Total turnover: 201 million euros. The organization in charge of intellectual property in France. Inpi is a public organization but behaves much like one from the private sector; they have their own income, do not receive subsidies from the state, and are responsible for organizing the firm and deciding upon its strategic direction. Sophie Spilliaert, the interviewee, is Chief Financial Officer.

- Atos, Bezons, France. Founded in 1997. Atos has 74,000 employees. Total turnover: 8,8 billion euros. It provides consultancy and technology services. Bruno de Langre, the interviewee, is a consultant (middle) manager in the defense and security department.

- OEM International AB, Stockholm, Sweden. Founded in 1974. OEM International AB has 623 employees. Total turnover: 189.5 million euros. One of the leading stock exchange companies in Europe. Andreas Flålt has had multiple position between 1997 and 2007 including marketing director in different subsidiaries, in charge of the establishment of OEM in China.

- Ericsson, Stockholm, Sweden. Founded in 1876. Ericsson has 109,648 employees. Total turnover: 26.05 billion euros. Ericsson is a communication technology firm that
builds mobile and fixed telecommunication networks. Three interviewees; Ingemar Naeve, chairman of Ericsson Spain, Lars-Göran Hansson, Senior expert in Stockholm, and Bo Westerberg, Vice president Ericsson Spain.

### 4.2 Uncertainty

Middle managers’ uncertainty often stems from a lack of information. According to Manager 5, this is sometimes intended or unintended by top management. When top management designs a strategic change, it will affect the work of the people it concerns in the organization in many ways. Manager 4 says that if middle managers don’t have enough information about the change, they may feel uncertain about their tasks and how the change will affect their work in the future. Manager 5 adds that this can create a concern amongst middle managers; since they cannot see the full picture, they cannot be sure of how their situation will be after the change. He explains that this might lead to resistance towards change since people dislike being uncertain about their future job. In situations where the change may lead to negative effects on the work of the middle managers concerned, there may be incentives by top managers to keep middle managers uncertain about the change outcomes. Manager 4 describes a case in Ericsson where they decided to sell off a production facility in Spain due to outsourcing. This implied firing a large number of employees and middle managers at the production plant. Motivating middle managers to continue operations in this context was a serious challenge for top managers. Top managers had to decide between two option; tell middle managers that they would get fired in a year and risk serious resistance, or give instructions without giving information of the layoff. They decided to keep information about the layoff confidential, steering the change by top down orders.

Though certain levels of middle managers’ uncertainty can be beneficial for the company at large from the top managers perspective, Consultant 1 and Consultant 2 consider uncertainty as something that often leads to confusion and resistance due to different individual interpretations of the strategy by middle managers. Consultant 1 describes the point where top managers are giving information but also getting information back from middle managers as the absolute key for successful change. Consultant 1 believes that middle managers’ uncertainty can be decreased by having continuous dialogues with middle managers concerning the strategic change; he explains how he decided to create a communication culture in order to enable middle managers to fully grasp the strategy's vision. Consultant 1 also believes that the feeling of involvement and contribution by middle managers helped decreasing the resistance of change as well as aligning change implementation more closely to the intended strategy. Manager 2 claims that by involving middle managers in the change, it is more likely to reduce the uncertainty of middle managers since they were given an active chance to contribute in the discussion and gain a deeper insight of the change. This implies an increase in middle managers’ power of influence in the strategic change, and a decrease in the probability of middle managers’ uncertainty.
Manager 1 believes that an internal flow of information is a precondition to corporate flexibility. According to him, a lack of information will increase the likeliness of misinterpreting change by middle managers; interpreting change according to their personal stakes.

4.3 Personal Stakes

Manager 5: “I think you, as a top manager, must consider how a change will affect the middle managers and try to see it through their perspective.”

Personal stakes have been found to be a major source of resistance. The individual’s interests often come into clash with the corporate interests. Manager 5 clearly states that top managers do not take personal stakes into consideration when creating a strategy at Ericsson. According to Manager 5, top managers solely look at the corporate interests due to the complexity of the structure at Ericsson. He explains that middle managers are much more concerned about their personal stakes. Manager 4 agrees regarding the middle managers’ pronounced interest in their personal stakes and they both express that middle managers at Ericsson have gotten too much power as the corporation decentralized its power which gave each department and branch more autonomy. Manager 4 argues that Ericsson has gone too far in its decentralization and as a result middle managers have gotten too much independence in decisions. Manager 5 joins him on that thought arguing that Ericsson’s multi-matricidal structure has given a lot of power to middle managers which take advantage of this when personal or divisional interests come into collision with the corporate strategy. Manager 5 remembers several cases in which middle managers have blocked a change due to their excessive power. They both believe personal stakes must be taken into consideration to a higher extent at Ericsson in order to reach higher rates of strategy implementation successes. Consultant 2’s opinion is interesting because he clearly says that top managers are not really considering personal stakes when creating strategies but stresses that there is a clear conscience about its potential importance. This indirectly describes the approach of Manager 4 and Manager 5 on the question.

Manager 5 joins Manager 1 on the idea that middle managers ask themselves a simple question when they are presented a strategy; “How does this involve me and do I want it?”. Manager 1 believes that personal stakes are the most important factor to take into consideration when creating a strategy. As a middle manager, he explains that the clash between corporate benefits and personal stakes during strategic change is the main reason for blockages of the strategy by middle managers at Atos. Manager 1 believes that middle managers understanding the change is far from enough for a smooth implementation of strategies. In fact, Manager 1 states that understanding the change is often precisely the reason for resistance since middle managers may understand that there might be a mismatch between their personal incentives and the corporate strategy. Manager 1 explains that once the strategic intent has been revealed to middle managers there will be a serious political game taking place, where middle managers will adjust and shape the information according to their personal stakes. Manager 1 therefore suggests that middle managers must not only understand the change but also adhere to it. Manager 1 says: “They [Middle managers] are focused on their objectives
and care little about things unrelated to their project.” He gives several examples of disharmony between top managers intent and middle managers personal incentives and presents them as obvious reasons for middle managers to block/ignore the change. According to him, it is common sense. Understanding change is not done solely on the theoretical and logical level but also on the affective and ultimately on the operational level.

Consultant 2 explains that in today’s environment where change is almost constant, top management can no longer afford to disregard personal stakes. He believes it is a major source of tension since middle managers need to redefine their position and their mission on a regular basis. Consultant 2 believes more harmony is needed between personal stakes and corporate objectives. Manager 3 adds to this point by suggesting this harmony should mostly focus on the personal stakes of the key players during change. He believes that when there is a major clash between personal and corporate interests it can cause a lot of damage. Manager 3 believes there are two solutions during such situation; align the corporate strategy with major personal stakes, or manipulate the personal stakes so as to stabilize incentives. Both Manager 3 and Manager 1 mention that the extent to which people consider their own interests is higher in financially traded organizations due to the fact that the culture is much more goal focused. If middle managers feel that the change will bring their focus away from the goals they are being judge upon, instead of taking on the extra work and risk overload they may choose to resist the change since it clashes with their personal incentives.

4.4 Overload on Middle Managers

Manager 5 argues that there has been a big increase in the workload of middle managers during the past twenty years. He argues that one of the key sources of the overload is the increase in responsibilities and freedom middle managers have experienced during the past two decades. He explains that middle managers must deal with goals and directions from top management which they must translate into operations by ensuring an alignment between top management ambitions and subordinate actions. Manager 6 also believes middle managers work overload is a major factor for failure and joins Manager 5 on that thought. He believes middle managers’ new responsibilities regarding operations is very demanding and that the time taking on new missions clash with the time middle managers needs to spend on their everyday tasks. The information that the middle managers needs to take in during change may be overwhelming when combined with their other tasks. Therefore, Manager 6 believes that this often is the reason for why middle managers reject the responsibility of taking on new changes.

Manager 1 also follows their trail of thought and explains: “It’s simple, a corporation where people can welcome change without cutting time in other areas or without getting overtime is a corporation which is badly managed since people can do more with the same amount of time, they are simply inefficient.” He argues that at Atos, there is no rescheduling under strategic change and therefore a huge pressure is put on middle managers during change. He explains that this pressure is accepted by the young people within Atos because they are trying to impress senior management, but that the middle managers that have worked at Atos for a while simply choose to reject the change when it is ill organized. He believes that top managers are not giving specific time to deal with change because they want to combine full ca-
pacity of everyday operations with the strategic change. Manager 1 says that middle managers have understood this and that often, he has not accepted change until he was given the time and the resources to deal with it. Manager 2 has also experienced this in the past and therefore restructures time and resources for middle managers whenever there is any major change. However she has received some criticism from middle managers saying that the time given for change is too large and wares on operations, but she believes that devoting time to change serves a much higher purpose in the long-run.

Consultant 2 is skeptical regarding the intentions behind the claim of overload. He does acknowledge that middle managers are sometimes experiencing work overload but believes it is also often an easy excuse from middle managers to reject change. He claims that it all goes down to a compromise between operations which have quantitative goals, and managing change which is much less tangible. According to him, the dilemma is simple to derive, middle managers prioritize what they are being judged upon, the quantitative goals, and therefore they have incentives to prioritize that instead of dedicating the time on changes. He strongly believes that this is a major reason for failures in strategic change.

4.5 Trust

All interviewees agree about the importance of trust during strategic change. From the interviews, one can identify four factors that affect the mutual trust between top managers and middle managers; consistency of top managers, support by top managers, autonomy given to middle managers, and the skills of middle managers.

The interviewees agree that consistency in decisions taken by top managers during strategic change is crucial. Manager 2 explains that this consistency enables middle managers to grasp the implications of change quicker. Manager 1 believes that the consistency in decisions of top managers is weak, especially in financially traded corporations. He explains that the time frame of top managers is not the same as for middle managers. He claims that a regular middle manager will typically have seen several CEOs in his/her career within the same firm. He argues that this is due to the fact that the board of directors hires top managers in order to “shake things around and create shareholder value”. He believes that this creates a very short-term oriented top management that has to cooperate with a middle management that wishes for more consistency in the long-term.

Manager 4 explains that consistency must be found in two ways, consistency of decisions between the top managers in order to avoid confusion, and consistency between the long-term and the short-term strategies. He believes that today there is a lack of consistency between the top managers due to the decentralization of power, and he believes that corporate wise there is consistency between long-term and short-term decision making but that often middle managers do not understand this consistency. He gives the example of the radio department Ericsson bought in the mid-90s in Bilbao. This was a crucial decision for the success of the mobile phone at Ericsson Spain. The short term strategy of buying the Radio plant was consistent with the long-term ambitions Ericsson had with mobile telephony, yet Manager 4 explains that middle management did not understand this consistency and did not understand the need for this short-term strategic decision. He argues that such gaps are unintentional and are often
the result of information secrecy due to fierce competition, though he does admit that these
gaps leads to a lack of ownership of the change. Manager 4 also states that a serious concern
for top managers is to stay trustworthy in the eyes of middle managers. Middle managers may
not fully understand a decision, but the trust must remain. Trust is mutual and is translated in
two major ways; support and autonomy.

Consultant 1 argues that support is absolutely crucial in organizations. He explains that
subordinates must feel like their decisions have the support of top managers, otherwise they
risk becoming passive regarding taking initiatives. Consultant 1 argues that if the relationship
is conflictual, subordinates do not dare to make decisions due to the fear of being sanctioned
for it. He believes support leads to comfort of decision-making. He explains that support does
not imply a full scale approval of all subordinate decisions but rather a quest for understand-
ing subordinate mistakes when they are done, in order to improve the quality of decisions and
of communication. “The (micro) decision making process must be seen as a possibility to de-
velop, not a threat”. He believes support leads to proactivity and enables autonomy.

Consultant 1, Manager 6, and Manager 3 believe that autonomy is largely subject to the
skills of middle managers. They argue that the lower the skills the more top-down and direct
communication and decision-making must be. Manager 3 and Manager 6 take the skills of
middle managers very seriously before deciding the extent to which they will involve middle
managers. In Bilbao during the early 2000s, Manager 6 decided that the production plant
would go from producing separate phone components, which they were selling to phone man-
ufacturers, to building their own phone. This was a major change of strategy. Manager 6 ex-
plains that he included middle managers that were concerned by the change but also the ones
he believed had the maturity to understand the overall gains that would come out of this deci-
sion. He then asked the staff from the product development division to do a SWOT analysis of
their skills, middle managers included. This was in order to see if they had the competences to
undergo the change, but furthermore, it enabled him to assess his middle managers and decide
which ones to include and exclude from the creation of the strategy. Considering the technical
aspect of the change, middle managers was highly needed during the creation of the strategy.

For Manager 3, “The best results come with leaders who are confident enough with them-
selves, their judgement, and their ability to make final decisions, to search for sources of in-
fluence over their own opinions regarding strategic change. » According to him, a top mana-
ger should assess the skills of middle managers by communicating informally with them, get-
ting to know them and the way they respond to events. Manager 3 really believes in the power
of informal talks. He says that they are a strong influence on the strategy. He brings an inter-
esting observation when distinguishing between the way skilled managers small talk and un-
skilled managers small talk. The skilled one will talk informally in order to influence the way
he/she thinks about the strategy in an optimization of the strategy approach. The idea of chal-
lenging your opinion in order to improve the strategy by understanding its weak points and its
potential improvement, which is largely done by communicating with people informally. Un-
skilled managers will talk informally in order to reaffirm their decisions. They want to reas-
sure that their decisions are the right ones by getting acknowledgement from people in the
firm.
4.6 Transparency

Manager 4 says that information is a powerful thing, depending on the type, consequences of a leak can drastically affect the value of the firm on the stock market. You always have to be careful of how you present your information says Manager 4, what information to present and to whom you are giving this information. Manager 1 adds that the level of transparency needed in a situation is completely context dependent. Manager 1 gives the example that from a top management perspective, a change which would aim at creating an open communications network between middle managers in the organization would require a very open and transparent approach since this is a situation with considerably low informational value for third parties and a great need for the right resources and detailed information so it is implemented as efficiently as possible. In another situation where you as a top manager would have to shut down a department due to low profitability for example, there is a much greater need to strategize about what information to give and to whom in order to limit information leaks and control the reactions of the people involved in this department. This is a question of openness and your credibility as a governing organ of the firm says Manager 1, if you handle the situation wrong there may be a strong counter reaction to your actions and the employees trust in you may diminish. Manager 1 mentions another scenario where the firm might have to go through a major reorganization and many people will be fired, top managers have a strong incentive to share information and be very transparent about the change with the talent they wish to retain so as to establish trust and make sure they don’t feel threatened by the situation and starts looking for jobs elsewhere. When it comes to the other middle managers being fired, top managers communicate with a lower level of transparency because they need them to stay cooperative and motivated for as long as possible which probably won’t be the case if they were to know more of the situation.

Manager 5 follows Manager 1’s trail by saying that the transparency of information between top managers and middle managers can be a complex situation where top managers might not be able to give the same information to all middle managers involved in the change, such as in the cases of organizational restructuring or downsizing. He also talks about the strategy involved in deciding what information to give to whom where it may sound immoral to let some middle managers have more knowledge about the change than others, but he says that top managers considers the collective above the individual and strives to do what is best for the firm. Top managers cannot drive change alone and need the support of the whole organization to accomplish change, according to Manager 5 this is one of the reasons for why some people need more information and others are kept in the dark. With too much information to the wrong people, they may try to block the change since it will affect them negatively and too little information will cause uncertainty and risk no change at all, hence the need to consider the level of transparency towards the different All the interviewees agree that the success of strategies would be much higher if middle managers was to be further included in the creation of strategies. Consultant 2 claims that the inclusion of middle managers is far from being optimized but he believes that top managers have recognized its potential. According to him, during the past 10-15 years there has been an increased focus on the human aspect of organizations. Manager 2 explains how since the last 5 years, there has been a much greater involvement of middle managers in planning tasks such as in the design of strategies since the
change of CEO in 2010. She has experienced that the process of strategy formation has gone from a small group of top managers writing the strategy with an external focus, to seeing an increased involvement of middle managers in the process, thus inducing internal focus in the mix.

Manager 2 believes including middle managers in the creation of the strategy brings along two major points. The first one is that middle managers hold much more operational knowledge than top managers, a source of knowledge which top managers can strongly utilize in order to create a better fit between their strategic intents and the readiness of operations. The second major positive outcome is that including middle managers makes implementation much more efficient since their understanding of the strategy is much deeper. Manager 6 concurs with the idea that middle managers are a very valuable source of information for top managers during the creation of strategies. Therefore, he chose to include them during the strategic change in Bilbao when he initiated a major change by suggesting that this production facility start producing its own waterproof cellphone.

Consultant 1 believes that everybody who will be affected by the change should be included in its creation since it creates “a commitment, if not to say a promise that the ones involved agree and want to move forward together.” Manager 1, Manager 2, and Consultant 1 believe that the symbolic behind the inclusion of middle managers during the formation of the strategy is what is the most important. Showing them that they matter in order to get actors in middle management. He stresses that the right level of transparency is crucial for the sensemaking process of the middle managers to cohere with the planned strategy by top management. Manager 4 also stresses that he believes resistance of change from middle managers ultimately stems from having too much or too little information of the change and that finding the right level of transparency is crucial for a successful implementation of strategy. He claims that the level of involvement of middle managers in the process of creating strategy and the amount of information to give them is a key question for top managers when they design strategic changes.

4.7 Involvement of Middle Managers in Strategy Formation

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Manager 5 believes that middle managers’ main source of power toward top managers today is found in the rejection of strategic changes imposed by the top. Manager 4 agrees regarding the power struggle and explains that Ericsson’s middle management is strong. Including them [middle managers] would reduce their incentives to block change and increase their understanding of the strategies as well as unify the corporate vision. Consultant 2 joins Manager 4 and Manager 5 on the idea that it would reduce conflict. According to him, any reduction of conflict is an increase in value. He believes that there is too little dialogue between top managers and middle managers and as a result, strategies are not optimized. According to Consultant 2 this lack of dialogue is a source of suffering on both sides and is a real handicap for organizations today. He explains that top managers feel alone in their decision-making, which makes them isolate themselves even more. As a consequence it increases the gap between strategic decisions and operations, which has strong negative impacts on the operability of strategies. This frustrates middle managers who feel left out of the decision-making and have no feeling of belonging to the change, therefore having little incentives to optimize implementation. Consultant 2 explains that it is a question of finding a balance between the time spent building better communication and the time gained by avoiding conflicts and creating a proactive environment. According to him, middle managers reshape strategies to a great extent once it reaches their level. They reshape it so as to include what top management has left out due to too little knowledge of operations but also to better match their personal stakes. Considering the lack of bottom-up information flow, top managers have little control over the
evolution of strategic change during implementation. Consultant 2 believes implementation fails largely because middle managers are seen as victims of change rather than creators of it.

Manager 3 explains that he has sometimes created the strategy from scratch with middle managers and other times he has applied a much more top down approach. He explains that according to him it is a question of how skilled the middle managers are. He suggests that when they are skilled, tremendous positive outcomes can come out of including middle managers. Furthermore, he claims that today, implementation cannot be optimized without including middle managers at least to some extent in the creation of the strategy.

According to Manager 5, Consultant 2, Consultant 1, and Manager 2, including middle managers in the creation of strategies is not something that should be done for one strategic change but rather something that should become a part of the corporate culture. Manager 5 believes that the complexity of the electronics market and the rate of change it involves calls for a continuous strategic dialogue between the two parties.

Manager 3 believes that including middle managers in the creation of strategies would enable top managers to dodge potential clashes between personal stakes and corporate interest since middle managers would have the opportunity to express the mismatch between the two. Manager 2 explains that including middle managers during the creation of the strategy has made them much more enthusiastic about the change. “They are happy to not only receive information but to create information.”

During strategic change creation, it is very important to identify potential ambassadors. Manager 3 feels that skilled middle managers should have the privilege of getting the information first for three reasons. Firstly, it shows appreciation of the individual by making him/her feel special when sharing still confidential information. Secondly, they are the ones who are most likely to influence the strategy in a good way by giving valuable opinions. And thirdly, it makes them ambassadors of the strategy once it has been communicated to the corporation. Since they were involved from an early stage, these people have a sense of ownership of the change, and have had the time to really accept the change and think about its implications. Ambassadors are very important because they influence the understanding and opinions of others on the informal level, which is more difficult for the people who are officially in charge of the Strategy.

4.8 Middle Management Vision

Creating a strong vision of change has been identified as one of the major points for the success of a strategy since it creates a framework in which middle managers can feel that they belong to the change and therefore act in accordance to the stream of change. Consultant 1 explains that there is a huge weight lying behind middle managers understanding the need for change. Consultant 1 and Manager 5 believe that successful strategic change cannot take place without a clear vision understood by the entire organization since a middle manager who does not understand why change is needed will not find the motivation to make it happen, nor will he/she have the knowledge required to efficiently make it happen. Manager 5 believes that a common vision of change gives sense to what the firm is striving for. This idea is shared by Consultant 1 who also argues that the vision is what ties all the different aspects of
the firm together. Manager 4 agrees with Consultant 1 when he states that in times of change, especially larger changes, there is great need for unity within the firm. This unity is found in the common vision. He pushes the idea by explaining that it enables people to work in the same direction and that the motivation that comes out from it enables faster implementation and less confusion.

Manager 5 describes the common vision as a guide for decisions. He says that middle managers will interpret strategies based on the information they hold and according to him, “If they [middle managers] don’t have the full picture and they decide to carry out their own initiatives, it carries a certain risk. If there is lack of involvement and a lack of understanding of the change from middle managers point of view, the whole sense of the strategy and its purpose may be jeopardized”.

Manager 2 has an interesting tactic to make middle managers in her division understand not only that they belong to the strategic change but how they belong to it. After the CEO presented the strategy to the entire organization, Manager 2 decided that she would present the strategy one more time but only for her division. After this, she let every person in her department physically position a note representing their role within the strategy on a board. She argues that the importance is not whether the positioning is correct or not, what is important is that they feel that they belong to the change and that they physically see it. According to her it will bring unity and motivation, and increases the likelihood of successful implementation. Manager 4 remembers a situation in which middle management did not understand the full picture and therefore did not understand the need for change. He was therefore forced to implement the change in a very top-down manner, with the result of a much reluctant attitude from middle managers causing the implementation to go slower than expected.

Manager 5 believes that the level to which top managers can let middle managers be autonomous during change largely depends on the level to which middle managers have understood the overall vision of the firm and the intent of the strategy. Indeed, he argues that if the vision is not clear it is better to give direct orders because autonomy then will lead to a confusion in the direction of the firm. He discusses that the common vision of strategies is something top managers must build on the long-term by having an ongoing dialogue with middle management regarding strategic orientation, something that he believes is weak today. Manager 4, who is also from Ericsson, seems to have a brighter eye on today’s situation. He explains that top managers organize a conference per year where approximately 2000-3000 middle managers are invited to discuss broad strategies. This complies with the long-term idea but lacks the continuous aspect that Manager 5 mentioned. Such long term attempts are also visible at Atos where Manager 1 explains the communication policy that has come into play the past years. Indeed there is a large amount of magazine and internal newspaper that inform about strategy and corporate culture. Furthermore, the CEO makes an audio conference once a month to which every single employee at Atos can connect their phone if interested. Manager 1 explains that they mostly talk about strategy and trends in the market. Interestingly, when asked if Manager 1 considers it creating a common vision, he answers by the affirmative but adds to it that he believes it is “impregnation of the strategic orientations”, which underlines the top-down nature of this communication of strategy rather than an ongoing exchange regarding strategic intents. He does respond positively to it by saying that it shows
proactivity on behalf of top managers to engage subordinates in the understanding of strategies and the corporate vision.

According to Manager 1, creating a common vision enables middle managers to work together in a much more efficient way. He explains with a touch of humour, that Atos is “the biggest unknown corporation”. According to him, creating a common vision for the middle managers in corporations of that size is absolutely essential since it creates a common frame of reference, which he also qualifies as corporate culture. Consultant 2 joins him on this thought and underlines the importance of this common frame of references. Manager 1 is often put in situations where he needs to work with people from different continents. He explains that this common frame of reference created by the common vision enables people to understand each other much quicker and therefore increase efficiency and collaboration during strategic change. He explains that such a common vision did not exist in his early days at Atos, which led to heavy misunderstandings when collaborating with people from different units and different national cultures. According to him, creating a common corporate vision is a strategy in itself, “a corporate strategy aimed at optimizing adaptability, flexibility, and strategy implementation.”

The vision enables individuals to understand their individual role in the strategy better. Consultant 1 explains that “The individual must find and understand her own goals in order to set up a plan of action in which she believes. That is the only way she will find the enthusiasm and the motivation to work towards these goals.” As previously mentioned, Manager 2 believes it is important to the extent that she organized a seminar for her entire division with the sole intent of enabling people to understand their individual role. According to Consultant 1 and Manager 2, aligning middle managers with the vision of the change is not a one way issue but rather a mutual adaptation. The vision of change must adapt itself to the way middle managers operate and think, and middle managers must alter their mind map so as to align with the new strategic vision.

Consultant 1, Manager 5, Manager 3, Manager 4, Manager 1 and Manager 2 agree regarding the importance of individuals understanding their role in the change. They also agree that this process largely depends on the information given to middle managers.
5 Analysis

This chapter is structured in accordance to the model below which summarizes and explains what top managers need to consider for the sensegiving process by making sense of middle managers’ reaction to change. This is followed by a discussion of the findings and ends with suggestions of further research.

5.1 Presenting the Model

Based on the empirical findings and with the support of previous research in the field, the model presented here shows the way in which top managers [TM] can optimize their sensegiving to middle managers [MM] by making sense of how middle managers are likely to respond to the change.

All managers explained that deliberate strategies are initiated from the top in their respective organizations. Therefore, the first stage of the model starts by introducing top managers as being responsible for formulating a strategic vision of change and making sense of it. This stage only concerns top managers. The second stage of the sensemaking/sensegiving process in this model involves top managers making sense of how middle managers are likely to respond or make sense of the strategic vision if all the information concerning the strategy was revealed. In other words, top managers speculate on middle managers’ reaction if they were given the full vision of the strategic change. Based on our empirical findings we identified...
four issues: uncertainty, personal stakes, overload, and trust, which have been individually discussed by previous studies. The third stage involves top managers making sense of how to give sense to middle managers by taking into consideration how the level of transparency and involvement are likely to affect the issues from the previous stage. According to the information they are given and their level of involvement in the strategy formation, middle managers will make sense of the strategic vision of change in the fourth stage, which will give birth to their actual response to change.

5.2 Explaining the Model

5.2.1 Top Managers make sense of the strategy

5.2.1.1 Top managers vision

As mentioned previously, all interviewees agreed that top managers are the initiators of deliberate change, even though they do not deny the existence of bottom-up initiation. This shows that in today’s organizations, the power over strategies still lies to a great extent in the hands of top managers. In this context, interviewees explain that top managers need to make sense of what is to be changed and why. This enables them to create their vision of the strategic change, and enables them to consider how middle managers are to come into play in the design of how the new strategy is to be built and implemented.

5.2.2 Top managers make sense of how middle managers will respond to change

Once top managers have made sense of the vision of the strategic change, they must decide on how to put the vision into a tangible strategy and understand its implications for subordinate levels in the organization. For this matter, top managers need to determine how they will create the strategy and what role middle managers will hold. This implies a valuation of the positive and negative outcomes associated to change, and how they will affect the way middle managers accepts and resists change. The following section focuses on the four main factors that top managers should analyse before determining the level of transparency and the extent to which middle managers should be involved in the formation of the strategy.

5.2.2.1 Uncertainty

Uncertainty during strategic change occurs when people are unsure about the outcomes of the change due to the ambiguity of the change or due to a lack of information (Brashers, 2001) (Manager 4, Manager 5, Consultant 1, Consultant 2). McKinley and Sherer (2000) argue that uncertainty is more likely to appear in traditional top down structures since middle managers are unlikely to be a part of the strategy formation. This creates a gap between the sensegiving of top managers and the sensemaking of middle managers. Consultant 2 and Consultant 1 say that due to this difference of information, it is natural to assume that the view of the change middle managers create for themselves is often different from the view held by top management. If middle managers get exposed to insufficient information they may get confused or uncertain.
Eby et al (2000) explain that it is in the human nature to resist commitment to what is uncertain. Herzig and Jimmieson (2006) claim that uncertainty to changes usually stems from three factors: the level of involvement the person had in the formation phase of the change, the quality of the information that middle managers are given by top managers, and the level of support they feel that they get from others. To cope with this, Saari and Talja (2009) call for an increase in the long-term involvement of middle managers in the strategic dialogue. Interestingly, Consultant 1 says that he tries to create a continuous dialogue between top managers and middle managers if the context makes it possible. The reason for this two-way communication is that it gives middle managers a chance to ask questions regarding what confuses them concerning the strategy.

Uncertainty usually results in either two outcomes:

- The first possibility is that the middle manager will feel confused about what is to be done and what the change will result in; which may lead to the manager rejecting the change.
- The second response to uncertainty occurs when middle managers choose to fill in the information gaps with their own interpretations; which may result in an implementation that might be quite different from the intentions of top management.

Consultant 2, Manager 1, Manager 4, and Manager 5 argue that neither of these outcomes are desirable and that uncertainty must be dealt with seriously. Manager 2 dealt with uncertainty by involving her subordinates in the formation of the strategy, she argues that it enables middle managers to understand the strategy to a great extent since they designed the way it will affect them and the organization, by that minimizing uncertainty.

However, there is also another perspective to uncertainty. Manager 4 explains that in situations of drastic change where subordinates will be affected in a negative way, full disclosure of the strategic intent may be the exact cause for resistance. This is supported by Herzig & Jimmieson (2006). In these situations, top managers may benefit from middle managers experiencing uncertainty regarding the change in order to keep operations going as long as needed. It is better to have a middle manager uncertain about the implications of change rather than have a middle manager certain that he/she will be laid off at the end of the year. This gives nuance to the discussion of transparency and the level of involvement suitable for change implementation and proves that every strategic change is much context-dependent and needs to be analyzed from its own unique circumstances.

From the empirical findings, the interviews gave mixed results on whether top managers consider the uncertainty factor when they design the sensegiving process of strategic change. Most interviewees agree that uncertainty may not always be undesirable and that control of how much information, what type of information, and with whom to share it, are highly relevant questions when designing strategic change. Uncertainty may be used as a tool for top managers to dodge potential resistance due to the personal stakes of middle managers.

5.2.2.2 Personal Stakes

Both the literature and the empirical findings suggest that personal stakes of middle managers greatly affect their decision on whether to support the change or resist it. Even though
literature exists on the topic, it has remained quite weak. According to the empirical findings, top managers have understood the potential resistance that may emerge from clashes between personal stakes and strategic intents but take little consideration of it when creating strategies.

Manager 5 claims that due to the complexity of the organizational structure at Ericsson, top managers tend to neglect the tremendous impacts that this issue may bring.

Chuang (2006), Lines (2004), Conway (2011) as well as Giangreco & Peccei (2006) give theoretical background to what Manager 4 and Manager 5 believe regarding the way middle managers consider their personal stakes during strategic change. They argue that in decentralized organizations like Ericsson, middle managers decide on whether to resist or accept change based upon a cost/benefit approach. Indeed, if the middle manager believes the change will affect him/her negatively, he/she is likely to resist, block, or ignore the change.

From the empirical research, it appears that all the interviewees recognize the impact of personal stakes yet none has suggested a conscious solution to tackle this issue. Both the theory and the empirical findings claim that change initiators judge a strategy based upon the organizational outcome whereas change recipients judge it according to the way it affects them (Bartunek et al, 2006; Chuang, 2006; Herold et al, 2007) (Manager 1, Manager 4, Manager 5, Manager 6). From his experience as middle manager, Manager 1 states that whenever a middle manager receives new information, he/she asks him/herself: “How does this involve me and do I want it?”. He says that in Atos, most resistance to change from middle managers can be traced back to the change affecting a number of middle managers personal incentives in more negative ways than positive and therefore they choose to block the change. Sometimes what is good for the organization goes against the personal stakes of many individual managers. This creates a clash of incentives because top managers want middle managers to perform actions that will impede their personal incentives which can lead to the middle manager simply resisting the change. One must keep in mind that this is very context dependent and not all middle managers will try to block changes based on their personal stakes.

Based upon the information given to them, middle managers will make sense of how this new information will affect them. Manager 4 claims that under the assumption that people behave in a rational way, there is good ground for top managers to understand and predict how middle managers will react to certain information. This implies that middle managers’ response to change is dependent upon the level of information they receive about the change. Manager 1 also follows this trail and claims that once top managers give sense of the change to middle managers, middle managers will make sense of it and process how it will affect them, which triggers internal political struggles. This implies that controlling the information flow between top managers and middle managers can be a way to control the reactions middle managers will have to the change since the sensemaking of middle managers is based upon the information they hold. An issue that often comes down to an evaluation of personal stakes has to do with the overload strategic change implies.
5.2.2.3 Overload on Middle Managers

To put context to the issue, there is a need to understand that a strategic change implies extra work on top of the tasks middle managers usually perform during their workdays. Carrying out a strategic change implies that middle managers need to make sense of the information given to them, design the information into concrete plans for the operations, and then make sure that implementation is taking place. Manager 1 explains overload in simple words. He suggests that a corporation which can undertake change without cutting time in other areas is an organization which is badly managed since people can do more with the same amount of time. Since a change requires extra work for middle managers, extra time and resources needs to be allocated to them by top management. However, Balogun (2006) suggests that this is often not the case because top managers often overlook the time required by middle managers to perform the sensemaking/sensegiving process needed. This means that if extra time and resources are not allocated to middle managers when top managers present a strategy, middle managers will not be able to fit in both their everyday tasks and the strategic change into their schedule which is the reason for work overload.

Middle managers performance is often measure by quantified goals regarding their operational tasks, if processing the change means that their other tasks will suffer from it there is a clash of interests. According to Consultant 2, middle managers prioritize what they are being evaluated upon, which is most often their quantified goals. This often results in middle managers rejecting the change because of their priorities of what is meaningful for them individually. Manager 1 says that at Atos, there is no rescheduling of tasks to grant middle managers the time needed to carry out the change along with their tasks and therefore a huge pressure is put on middle managers during change. He explains how this pressure is often accepted by younger employees trying to excel in their careers but for the majority of managers, it simply goes down to a question of reducing their time spent on their everyday work tasks, making the operations suffer, or simply rejecting the change at the benefit of their quantified goals. All the managers interviewed recognize overload as a strong factor for why change is resisted, this phenomenon is also observed in academic literature.

In this factor, the amount of information given is not the solution but sometimes the cause. Top management needs to reallocate middle managers’ tasks during strategic change, or at least create a common frame of reference when it comes to the reallocation of time during change. The important points being to identify whether the change is worth the inevitable reallocation of time, and if it is, make sure that time is reallocated consistently throughout the organization in order to have a good match between operations and the advancements of the strategic change.

5.2.2.4 Trust

Unlike the other three factors of this section, trust should be maximized rather than minimized since it brings great positive outcomes during strategic change. Both interviewees and scholars agree on the importance of trust during strategic change. Trust is able to grow strong when top managers are consistent in their decisions, when they support the middle management, and when middle managers have enough skills to be granted some level of autonomy.
One can distinguish between two major types of consistencies that top managers should ensure. Firstly, there must be a consistency between the long-term strategies and the short-term strategies, which will be referred to as long-term consistency. Secondly, top managers must be consistent between each other and ensure that there is a unity in the sense-giving going down to middle managers, which will be referred to as unity consistency.

There seems to be a gap between the way middle managers look upon long-term consistency and the way middle managers perceive it. The argument brought by Ford et al (2008) blaming top managers for breaking unwritten agreements with middle managers is one of the reasons for Manager 1’s suspicion of top managers. Manager 1 believes that the source of this inconsistency is found in the short-term culture that is found in financially traded organizations. Indeed, the fact that top managers change position and organization so often has created a culture in which top managers try to create big changes in little time. This has two implications with regards to consistency. Firstly, as Ford et al (2008) explain, during periods of change the corporate environment is tenser and promises are more likely to be broken. Secondly, since top managers change often they know little about the unwritten promises made by their predecessor and are therefore likely to break them. Manager 4, however, argues that there is long-term consistency but that middle managers do not see it due to a lack of information. At first glance, this might seem as an explanation for Manager 1’s beliefs. However, the difference between the two is their perspective. Manager 4 means that there is a long-term consistency in the intents of long-term strategies and short-term strategies while Manager 1 argues that the inconsistency lays in the way top managers handle change. A drastic example of this is identified at INPI. Indeed, there was a change of CEO in 2010 which was followed by a severe change in the approach of the formation of strategies. The previous CEO built a strategy in 2008 exclusively with the internal communication director. Four years later, the new CEO decided to involve the entire organization in the formation of the strategy for what Manager 2 qualifies as a very similar strategy. She argues that this inconsistency has been more than welcomed by the employees since it has granted them more power over the change, but one can see that it is one role within the organization: the CEO, which is treated completely differently by the predecessor and the current CEO. Manager 1 argues that when these changes occur too often, it decreases the level of trust individuals feel toward their top managers.

The second type of inconsistencies, the unity inconsistencies, creates great confusion at subordinate levels (Lamberg et al, 2008). Both Manager 4 and Manager 6 believe that there are destructive political struggles between top managers due to the decentralized culture of Ericsson. Manager 6’s interpretation is perfectly in line with Lamberg’s beliefs that it decreases the credibility of information going down to middle managers. Bartunek et al (2006) therefore argue that consistency in the way top managers give sense to subordinates strengthens the trust.

Herzig and Jimmingson (2006) argue that subordinates must feel support rather than control. This is a point Consultant 1 strongly underlines when talking about his ideal relationship to subordinates. According to him, in today’s economic environment, it is essential that subordinates are proactive and feel like they have the autonomy to take micro-decisions. For him, the only way in which this may happen in a constructive manner is if subordinates feel the
support of top managers in their decisions. His point is that a middle manager must not feel as though she will be punished for a decision he/she believed to be right. Rather, when the decision is wrong, a top manager must try to understand why the wrong decision was taken; treating the paradigms rather than the action itself. Both scholars and interviewees agree upon the fact that support of middle managers by top managers has a considerable positive impact on the motivation level and enables them to respond to change in a more efficient way.

An important parallel must be drawn between support and autonomy. Support implies that there is some level of autonomy. Another parallel must be drawn between autonomy and the skills of middle managers. Indeed, Manager 3, Manager 6, and Consultant 1 argue that autonomy may only be granted if the middle managers have the competence to live up to the responsibilities implied by autonomy. Manager 3 argues that a skilled middle manager should be given the trust and the support to maximize its contribution to strategic change while an unskilled one must be controlled and requires a very top-down approach to change. Herold et al (2007) insist on the importance of identifying the skills of individuals during strategic change. Manager 3 underlines several times the importance of identifying keep actors during the change, which he qualifies as ambassadors of change. These people are given particular trust with regards to the information they receive, when they receive it, and the weight of their role in the change compared to their regular position. These middle managers, whom Manager 3 calls “ambassadors of change”, play a key role because they have a deeper insight of the change than other middle managers do and have been picked because they have the skills and the interest to be strongly involved in the change. They will therefore give sense of the strategy in a way that other middle managers can better relate to since most of the sensemaking is done horizontally, between middle managers (Rouleau, 2005; Balogun, 2006). The trust granted to these ambassadors of change is indirectly spread to other middle managers, which Manager 3 argues increases the trust middle managers feel for their top managers and the strategy.

5.2.3 Top managers make sense of how to give sense to middle managers

5.2.3.1 Transparency

Transparency is a sensitive issue since it implies sharing information. Information is usually presented in its best light by the saying “information is power” (Lofgren and Smith, 2013). The power of information can be divided into the information affecting the internal stakeholders and the external stakeholders (mainly the customers, the shareholders, and the competitors). Internal information transparency is a very sensitive issue for two major reasons. Firstly, the more people within the organization know about confidential information, the more likely it is that it will leak out. Secondly, subordinates will make sense of information and respond to it.

Confidential information sometimes holds a tremendous amount of power on the financial market or on the competitive field, which Jones and Leonard (2009) argue must be dealt with extreme care. Manager 4 and Manager 5 explain that much of the information held by top managers cannot be revealed to subordinate levels due to the risk of information leaks. This sets a stage in which top managers need to classify what is considered confidential and what is not. Once the information that can be shared has been identified, top managers must look
into the way middle managers are likely to respond to this information. Consequently, top managers decide on what to disclose and what to hide, with the aim of aligning middle managers’ vision to what top managers intends for the change.

As Elving (2005) explains, information is the key to readiness for change. He suggests that top managers have the duty to make sure that subordinates receive the information needed to understand their role in the change. All interviewees agree upon this and as Consultant 1 says that it is all about information and communication. They also agree upon the complexity of finding the middle stand between an excess of information, which will create overload, and a lack of information, which will bring uncertainty. The complexity lies in how to prevent what Reichers & Wanous (1997) refer to as a gap of different understandings to the change process; the idea that the sensemaking of middle managers should align itself best possible with the sensegiving of top managers.

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For organisations about to undergo strategic changes, the most important factor identified in this study is information since all other factors base themselves upon it or on the lack of it. Therefore, top managers must analyse how information transparency is likely to affect the four previously mentioned factors; uncertainty, overload, personal stakes, and trust.

If top managers have identified the information that should remain confidential, involving middle managers in the strategy formation is a powerful way of dealing with information.

5.2.3.2 Involvement of Middle Managers in Strategic Formation

Process control was the only type of involvement identified in the examples given by the interviewees. In fact, it was the only one considered by interviewees. In accordance to Lines (2004) findings, Consultant 1, Manager 2, Manager 6, and Manager 3 agree that process control has brought great positive outcomes when used during strategy formation. Consultant 2, Manager 5, Manager 4, and Manager 1 believe that the involvement would improve the quality of strategies and would make implementation much easier if transparency politics allow the inclusion of middle managers.

One can identify three major impacts of involving middle managers in the formation of strategies; the sense they give to top managers, their increased sensemaking, and their attitude toward change during the implementation.

The first impact, the sensegiving from middle managers to top managers, has two major implications. The first one will be called knowledge impact, and is due to the key position middle managers hold within organizations (Floyd & Wooldridge, 1994; Herzig & Jimmieson, 2006; Pappas & Wooldridge, 2007). Indeed, Manager 1, Manager 2, Consultant 2, Manager 5, and Manager 6 believe that middle managers have a better grasp of how strategies will affect operations and therefore including them in the formation stage would fill the operational knowledge gap of top managers. This would create a better fit between the strategic intents of top managers and the readiness of operations (Lines, 2004; Balogun, 2003) (Manager 5). Middle managers’ inclusion would lead to qualitatively better decisions since top managers would have a wider range of skills and more information to base their decisions on (Lines, 2004). The second advantage of letting middle managers give sense from an early point is that it will enable them to express potential frustrations or frictions in the strategy.
Lines (2004) argues that including middle managers in the formation of the strategy will reduce the political struggles during the implementation since issues will be brought up in time and therefore the strategy can adapt itself better to the internal environment of the organization. This point is emphasized several times by Manager 1, Manager 5, Manager 6, Manager 4, and Manager 3. Indeed, it gives top managers the opportunity to adapt the strategy to middle managers’ concerns rather than leaving it for middle managers to alter the strategy according to their personal stakes during implementation. Indeed, both Balogun (2006) and Consultant 2 explain that when middle managers are not included, there is a strong likelihood that they will interpret and shape the strategy during the implementation. Furthermore, involving middle managers implies an unwritten agreement that they accept the strategy and will be active in its implementation, as Consultant 1, Manager 1, and Manager 2 explain. One can build a link between the knowledge impact of including middle managers in strategy formation and the idea brought by Mintzberg in 1985 with regards to the presence of emergent patterns in deliberate change. Indeed, involving middle managers enables to improve the strategy, thereby denoting the emergent aspect of deliberate change.

The second major impact has to do with the way middle managers make sense of the strategy when involved in its formation. Bartunek et al (2006) explore the importance of the involvement of middle managers at such an early stage and state that it has a tremendous effect on the way middle managers make sense of the strategy. In line with Bartunek et al (2006), Manager 1, Manager 4 and Manager 2 explain that the inclusion of middle managers enables them to understand the strategy on a deeper level. This enlarges their understanding on two major points; the way they understand the overall strategy, and the way in which they individually (and their subordinates) come into play. This gives more relevance to the individual’s action, which introduces the third major impact; the attitude middle managers hold during the implementation of change.

Indeed, as Lines (2004) suggests, including middle managers in the change formation increases their commitment to a great extent. Consultant 1 and Manager 2 strongly believe in the symbolic aspect behind the inclusion of the middle managers. According to them, the fact that middle managers are a part of the creation makes them belong to the change and increases their motivation. Manager 2 and Consultant 2 explains that this motivation comes from the fact that middle managers become creators of change rather than victims of it. This change of perspective is what all interviewees argue reduce resistance to change and increases their acceptance of it.

The argument brought by Lines (2004) where he argues that subordinates are likely to reject inclusion in the formation of strategies in organizations with a strict top-down culture does not match the findings of this research. Even though evidence is too weak to challenge Lines (2004) conclusions, Manager 2’s organization has gone from a creation of strategy that was exclusively done by the CEO and the director of internal communication in 2008, to a full scale involvement in which middle managers worked in very close bonds with top managers in the creation of the strategy in 2012/2013. She explains that the transition was abrupt but highly appreciated by the members of the organization.
After identifying the major impacts of including middle managers in the creation of strategy, one must remember a couple of key points. Manager 1, Manager 5, Consultant 2, Consultant 1 and Manager 2 believe that the change of attitude toward including middle managers should not only be case specific but rather, it should be a genuine shift toward including middle managers to a greater extent in the discussion of strategies. Furthermore, one must understand that the inclusion of middle managers during strategy formation is not a question of all or nothing. Indeed, as Manager 3 explains, there are situations in which it is wiser to pick ambassadors of change rather than including the entire middle management.

The bottom line idea being that including middle managers, at least to some extent, creates a better match between the top managers intent of change and middle managers vision of change.

5.2.4 Top managers give sense and middle managers make sense
5.2.4.1 Middle Management Vision

Middle managers’ vision of the strategic change depends upon how involved they are in the process of designing the change and the level of transparency of information that top managers grant middle managers in the sensegiving process. Since middle managers view of the change is dependent upon the decisions of top management, we make a difference between top management vision and middle management vision.

Consultant 1 and Manager 5 both say that strategic change will not be efficiently implemented unless middle managers have a vision which guides and justifies the direction of decisions. Since middle managers are those who turn information into implementation, it is crucial that they are motivated to perform the change but also that their view of the change is aligned with the strategic intention of top management. Proctor and Doukakis (2003) argue that in order for middle managers to become motivated for the change, they must feel that they belong to the change and that they understand the need for the change. Manager 2 stresses that showing the middle managers how they contribute to the change and letting them position themselves in the broader image enables middle managers to grasp a deeper understanding of why the change is needed and what their role is within the change, thus providing meaning for the change and motivation to carry it through. Burnes (2004) also suggests that a felt need is an important aspect to consider and in situations where an individual feels a low felt need for change, the person will be less motivated to actually perform the task. Hence, it is important for top managers to be able to convey the feeling of need for change to middle managers, and establish a shared view of the direction of what the firm wants to accomplish. Herzig and Jimmieson (2006) claim that the lack of a shared vision amongst middle managers is one of the key reasons for confusion and uncertainty.

Balogun (2006) argues that during the implementation phase of strategic change, most of the additional information needed for the sensemaking by middle managers are sought out horizontally. As a consequence of this, top managers have less control over middle managers sensemaking process during the implementation. This further emphasizes the need for top managers to communicate the vision they wish middle managers to have during the initial sensegiving of the strategy. If top management’s sensegiving is not clear enough, middle
managers may resist the change or implement it differently than how top management envisioned it. Therefore, the outcome of the change much depends on how top management communicates and involves middle managers during the sensegiving phase so that middle management understands the change and its consequences for them.

However, alignment to strategic change is different from understanding the change. In fact, middle managers can be aligned with the strategy precisely because they do not have the full understanding of the change and how the change will affect their position. For example, if top management's vision of the change clashes with the incentives of middle managers, top management may not want to share this information fully with the middle managers because of the chance of blockage or resistance to the change. Hence, in order to have the implementation of the strategy aligned with the vision held by top management, they need to balance the level of involvement and transparency given to middle managers to provide a suitable level of understanding of the change. The aim for top managers is not to give a complete understanding of the change to middle managers but to supply them with enough information so that they can perform the change in the most efficient way. So, rather than sharing a common vision of the change amongst top and middle management, they should share a common direction of where the company aspires to be in the future. The decision of involving middle managers in the change formation phase and the decision of how much information to give middle managers both brings positive and negative aspects which needs to be considered for every individual case. The key is for top managers to ensure that middle managers have a sufficient level of understanding of the change so that their sensemaking aligns with the direction desired by top management.

5.3 Discussion

Even though many scholars talk about creating a common strategic vision, the empirical findings of this research have made a clear distinction between the strategic vision of top managers and the strategic vision of middle managers. The difference comes for two major reasons. Firstly, the roles top managers and middle managers hold within the organization are of different nature. This implies that the way top managers build their personal schemata is based upon a different paradigm than the way middle managers make sense of the organizational environment. Secondly, the analysis has enabled to grasp the influence top managers may have on the way middle managers make sense of the strategy. This influence emerges essentially from two tools; the level to which top managers will disclose information (transparency), and the level to which top managers will involve middle managers during the creation of the strategic change (involvement).

The model presented and analysed previously has several layers of understanding. Indeed, one could relate it to game theory in which one player [top management] needs to predict the reaction of a second player [middle management] in order to best use the two influential tools. Indeed, as top managers have made sense of what is to be changed, they need to speculate on how middle managers would react if all the information was disclosed in terms of their uncertainty, personal stakes, overload, and trust. According to top managers’ understanding of middle managers’ speculated sensemaking, top managers need to make sense of how the de-
gree of transparency and involvement will affect these factors. Transparency and involvement are interrelated since the creation of strategy implies a creation of information.

Transparency has been found to be a key reason for middle managers’ uncertainty since certainty is fully dependent upon the quality and the quantity of information. To avoid uncertainty, top managers need to disclose information to middle managers in order for them to make sense of the strategic change implications. The empirical findings suggest that there are a few cases in which uncertainty is desired by top managers since the certainty of the change implications would lead to resistance. A drastic example of this is a layoff. Personal stakes must therefore also be considered in transparency. Frictions between personal stakes and the intents of the strategy have been found to be a major reason for failures of implementation. Indeed, if middle managers are certain about the negative impact of change, they are likely to resist. However, it has been found in this study that conflicts between personal stakes and top managers’ strategic intents are likely to be reduced by involving middle managers in the strategy formation since it enables them to express their discontent from an early point, therefore enabling the strategy and the personal stakes to adapt to each other. This adaptation also enables middle managers to give valuable information to top managers regarding the match between strategic plans and operations. This implies that the match between strategies and operations is improved due to the information input middle managers bring to the strategy by being a part of its creation. Interviewees are also unanimous regarding the idea that the feeling of belonging, the commitment, and the motivation are drastically increased by involving middle managers in the formation of the strategy, making strategies much more likely to be successfully implemented.

Overload must be isolated from the other factors since it has not been found to be improved by transparency and involvement. On the contrary, work overload is likely to be a result of the involvement of middle managers in the creation of the strategy since it is a time craving process. However, the empirical findings of this study suggest that the time needed for the creation of the strategy will be payed off during its implementation since middle managers will have a deep understanding of their role in the implementation of the strategy and as a result the strategy is likely to be implemented quicker and more efficiently. Therefore, we suggest that top managers take a more serious look into how work overload can be avoided by a reallocation of time since it has been found to be a major cause of frustration and rejection of strategies. We ask for further research in how top managers can reallocate the time of middle managers during strategic change in order to involve them in the formation of strategies without harming operations.

Also a sensitive factor, trust has been found to play a big role in the way middle managers will respond to change. Unlike the other factors, trust cannot be planned on the short term. Rather, trust comes as a consequence of the relationship between top managers and middle managers on the long-term. It has been suggested from the findings of this study that middle managers’ response to change depends to a large extent on whether they trust their leaders or not. We therefore call for more consistency in the long-term on behalf of top managers since it would reduce the skepticism middle managers have toward new strategies. An interesting aspect of trust is that it is not a one way issue. Indeed, it has been suggested by several interviewees that the involvement of middle managers in the creation of the strategy depends upon
the extent to which top managers believe they can trust middle managers’ ability to handle the creation of the strategy. However, other interviewees have suggested that the trust top managers have in the ability of middle managers to contribute to the strategy does not play a big role. They suggest that the feeling of belonging is what matters most. This gap between the interviewees asks for a clarification regarding the importance of the knowledge input of middle managers in the creation of the strategy. Further research should study and compare the value of the knowledge input as compared to the value of the feeling of belonging.

The top-down approach has been found to create a big gap between the way top managers plan the strategy and the way middle managers implement it. This happens for two major reason; top managers lack information of operations, and middle managers reshape the strategy in order to include their personal stakes. Even though it could be assumed that involving middle managers in the strategy formation grants them more power over the strategy, what actually happens is that it enables top managers to control the power of middle managers. Indeed, instead of using their power during the implementation which top managers have little influence over, they will design the strategy together, with top managers making final decisions, and as found in this study, involvement creates an unwritten commitment to the strategy. This implies that middle managers will be more faithful to the strategy since they participated in its creation.

Our findings suggest that there may be a trend leaning towards further inclusion of middle managers in the strategy formation phase. We therefore call for further research regarding the involvement of middle managers. Since this study treated the issue from a broad perspective, we suggest that further research treat the issue in a case study approach, with focus on a specific industry.
6 Conclusion

The answers for the research questions are presented in this chapter

The purpose of this thesis was to explore factors that influence the sensemaking of middle managers during strategic change, and how top managers may influence those factors by making sense of them prior to the formation of strategies. This paper attempted to fulfill the purpose by answering three research questions.

What key factors are likely to affect middle managers’ response to strategic change once it is given sense to them by top managers?

The interviews and previous research enabled the identification of four key factors that affect middle managers’ response to strategic change; their level of uncertainty regarding the implications of change, the implications of change in terms of their personal stakes, the work overload that change may bring, and the trust between top managers and middle managers.

How can top managers influence these factors?

In this essay, the chosen context was within strategic change initiated by the top in large organizations. Consequently, top managers hold the initial vision of what is to be changed and why it is to be changed. This implies that top managers have power over how to give sense of the change to middle managers. The two major ways in which top managers can influence middle managers’ response to change were found to be the level of internal information transparency, and the extent to which middle managers are involved in the formation of the strategy.

Why should top managers take these factors into consideration?

Top managers should take these factors into consideration because it will enable them to choose the appropriate level of internal information transparency as well as it will enable them to be clear about who to involve in the design of the strategy and to what extent. These factors have been argued to be at the heart of the sensemaking of middle managers, and therefore hold great importance in the likelihood of strategies to be successfully implemented.
7 References


8 Appendix

Considering the interview structure was open-ended, the questions and their order were asked according to the conversation flow as well as the context.

8.1 Interview Questions for Top Managers

What is your position?

What is the process of strategic change creation in your company? (Can you describe the different steps and actors involved throughout the process? How long did the strategy formation take?)

How do you communicate strategy? (From planning to talking)

How would you describe the communication between TM and MM regarding strategic design? How do you feel this type of communication has changed over the past decade?

Who are the key people that influence your sensemaking? How do these conversations take place (formal/informal, vertical/horizontal)

Could you tell me some unintended outcomes that happened through the strategic change?

To what degree do you encourage/support your middle managers in taking individual initiatives?

Are middle managers given any time to cope with new strategies? (do you consider how much time middle management may need to process the information of the change based on each individual case?)

What are the major factors that you consider about middle management when creating a strategy?

Have you ever experience resistance from middle management concerning a strategic change? (If so) what are the major sources for friction/resistance from middle management during strategic change.

Do you consider how much information about the change you give to middle managers during strategic change?

When you format a strategic change, do you consider how they will individually be affected by the change?

Do you ever call for external help such as consultants in order to create and communicate strategy?

What is a good manager for you?
8.2 Interview Questions for Middle Managers

What is your position?

What is the process of strategic change creation in your company? (Can you describe the different steps and actors involved throughout the process? How long did the strategy formation take?)

Do you have examples of top managers who have used different techniques to communicate a strategy? (Can you think of one particularly good and one particularly bad? How did it affect your approach to the strategy?)

Do you feel that you are being consulted regarding strategic design? (How do you feel it has affected your motivation and commitment to the strategy? Has it had an impact on the strategy? Do you feel you bring value? How do you define your role in strategic design?)

Have you ever resisted a decision given by top management? (If so) What are the most common reasons for friction/your resistance? Where do you think that these situations of resistance comes from?

Do you feel that top management grant you the time needed to process the strategic changes?

How would you describe the communication process between top management and middle management?

How much freedom of decision making do you experience that top managers give you regarding interpretation of the strategic change information? Do you experience that top management supports you in your initiatives?

What is a good manager for you?