Senior Managers' Sensemaking and Responses to Strategic Change

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Our longitudinal study of the sensemaking and responses to strategic change of the senior management team of a UK multinational subsidiary provides unusual data that enable us to explore the complexity of senior team change related sensemaking. We show senior teams to be distinct interpretive communities rather than one homogeneous category of change agents, as typically portrayed in change literature, who at times of center-led strategic change occupy a complex dual recipient/change agent role. By adopting a narrative approach, we show the shared sensemaking of such a team to be impacted by the locally differentiated nature of its interpretive and relational contexts, leading to context specific interpretations of center-led change and locally distinct responses, with consequences for change outcomes. We found that because of their dual role, senior managers construct two sets of interwoven and interacting change narratives which mediate the relationship between the wider organizational change and local change actions. Our analysis reveals how these evaluations of change, accompanied by affect, evolve over time and how they impact action. These findings contribute to existing theories of sensemaking and change by addressing the previously undertheorized relationship between senior management teams' sensemaking and their responses to strategic change.

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Introduction

Strategic change involves a shift in an organization's purpose, priorities and goals (Gioia et al. 1994). Change of this magnitude requires a "cognitive reorientation" (Gioia and Chittipeddi 1991), a shift in the interpretive schemes of organization members (Bartunek 1984), to support appropriate action. This recognition has led research to focus on processes of meaning construction during strategic change, in particular how senior managers, as the "prime movers" of change (Michel 2014), through their sensemaking and sensegiving, redirect the understanding of lower level organizational employees towards a new desired organizational reality (see Corley and Gioia 2004, Gioia and Chittipeddi 1991, Gioia et al. 1994, Gioia and Thomas 1996, Labianca et al. 2000). Studies of change typically maintain a bifurcation in change roles between senior managers as "change agents," and other organizational members as "change recipients" (McDermott et al. 2013), emphasizing the initiatives and sensegiving of the former and reactions of the latter.

Senior managers are indisputably important for strategic change. They have more authority and more resources to lead others to enact strategic decisions than do middle managers or lower level employees (Denis et al. 1996, Kanter et al. 1992, Morgan 1997). Yet particularly in large, divisionalized organizations, senior managers are not the relatively undifferentiated group of change agents that research on change typically portrays them as. They split into multiple and often geographically distributed divisional senior management teams, with varying roles, authority, and resources, more often concerned with implementing the change programs of the topmost corporate executives in the teams' local operating context (Balogun et al. 2011, Jarzabkowksi and Balogun 2009) than being prime movers themselves (Michel 2014).

Such senior management teams are subject to local as well as broader corporate contexts and, as a result, are likely to understand events and issues in ways impacted by their particular contextual circumstances (Maitlis and Christianson 2014, Sonenshein 2010). That is, the meanings a divisional senior management team constructs of an organization-wide change initiative will be influenced by its particular contextual boundaries, such as its structures, cultures, relationships, resources, and markets (Bartunek et al. 2006, 2008; Boje et al. 2004; Ford et al. 2008; Sonenshein and Dholakia 2012). Furthermore, the particular sense a senior team makes is likely to have consequences for change outcomes in their part of the organization, since meanings shape actors' social realities and their subsequent reactions to such realities (Hardy et al. 2000, Sonenshein 2010). This is an important issue. Attention to what affects local responses is important for understanding the dynamics of strategic

change in large, diversified corporations and other organizations as well.

Thus far, research has not explored how particular meaning constructions develop within an individual senior management team, shaping the team's subsequent change-related actions and the resulting change outcomes. Hence, our overarching question in this paper is: how does the sensemaking of a divisional senior management team charged with implementing an organization-wide change program influence what happens locally? To explore this, we consider how both the larger organizational context of a divisional senior management team and its specific, locally shared context, shape the development of the team's meaning constructions about change and the consequences for the team's response to change over time.

Our longitudinal real-time research follows the sensemaking and responses to strategic change of the senior management team of a UK subsidiary in a fast moving consumer goods (FMCG) multinational corporation. The changes involved the creation of a new integrated European division, led from a central headquarters based in mainland Europe, from a previously multidomestic country model. The new European business model effectively elevated and created change agents out of the senior European managers operating from the new headquarters but reduced the autonomy of subsidiary senior management teams, including the UK team, while requiring them to carry out the necessary steps in their own countries to create the new central structure.

We tracked how the historically close UK senior management team's meaning constructions of change were influenced by both their wider organizational and local contexts over the course of three years and the consequences of this for their responses. We follow the team's sensemaking to show why and how the UK team initially made sense of their strategic role in a way that allowed themselves autonomy in how the changes were implemented in the UK. Then, as the new European business model started to curtail their authority, they collectively constructed increasingly negative interpretations of the changes, which led many of them to resign rather than accept job offers for other positions within the new European structure. Our research provides a revelatory case study (Yin 1994) through unusual data, which enable us to explore the complex sensemaking of a team of divisional senior managers as an important organizational group, how such sensemaking evolves over time in conjunction with change events, and its consequences for action.

Consistent with others (Sonenshein 2010, Maitlis and Sonenshein 2010) we explore the development of the senior management team's shared sensemaking over time by analyzing the team's evolving composite narratives of change (Dunford and Jones 2000, Maitlis and Christianson 2014) along with the accompanying affect

that gives impetus to the team's actions over the life of a change initiative (Elfenbein 2007, 2014; Maitlis and Christianson 2014; Maitlis and Sonenshein 2010; Walsh and Bartunek 2011). Through this analysis we show how a senior team's sensemaking develops from its *relational* and *interpretive* contexts. The *relational* context includes whom, because of colocation and frequent personal interaction, the senior management team sensemakes *with* to interpret the implications of the change. It also incorporates other key change actors whom the management team sensemakes *about* because of physical separation and more limited interaction, including particularly the corporate executives initiating and managing the change process centrally. The *interpretive* context refers to both local, team specific frames of reference and more general organizational frames of reference, which the team members draw on to make sense of their change experiences and which influence the meanings they construct.

We found that the senior managers constructed two sets of interwoven and interacting change narratives over time. The first set evaluated the wider organizational change effort. The second set constructed a response as to what they as a team should do locally, given their evaluations of the wider change. These two sets of narratives resulted from their complex senior management role as both recipients of center-led change, and change agents for it in their part of the organization. That is, senior managers' local change actions *as leaders* were based on local change narratives that were informed by, yet distinct from, their narrative meaning constructions and evaluations of the wider organization change effort, which they developed as *recipients*. Thus, senior managers' meaning constructions of a wider change program do not translate directly into local actions. Rather, the relationship between the wider organizational change and local change actions is mediated by a separate set of local senior manager change narratives.

Our contribution addresses the previously undertheorized relationship between senior management teams' sensemaking and their responses to strategic change. It reveals a dynamic relationship between the relational and interpretive contexts in which senior teams are embedded, and their evaluations of the wider organization change and what should be done locally. It opens up multiple dimensions of sensemaking, affect, and action in relation to organizational change that have been inadequately explored in prior research.

Sensemaking, Narratives, and Change

Sensemaking and Interpretive Communities
There is growing evidence in studies of sensemaking and change that within broad groupings such as "managers" or "employees" there are multiple interpretive communities (see Balogun and Johnson 2004, Bartunek and Moch

1987, Huy 2011, Kaplan 2008, Moch and Bartunek 1990, Sonenshein 2010). Each one holds particular cognitive frames originating from its own background and context, and, as a result, interprets change differently, with implications for change responses in their part of an organization. Yet existing studies of sensemaking and change often overlook the fact that sensemaking is a team-based process (Maitlis and Christianson 2014). Balogun and Johnson (2004, 2005), for example, revealed differences between managerial groups but did not focus on the team-specific influences. Sonenshein (2010) showed how a local context can impact the meanings subgroups develop but did not explore why or how these different constructions developed in any particular team. To appreciate how the sensemaking of senior management teams influences local implementation, it is necessary to understand these dimensions. That is, it is necessary to explore managerial sensemaking as a team process embedded in particular relational and interpretive contexts.

Relational and Interpretive Contexts. Sensemaking is a social process taking place in *relational contexts*. Collective meaning is cocreated through interacting with and observing others such as superiors, subordinates, and peers (e.g., Balogun and Johnson 2004, 2005; DeCelles et al. 2013; Huy 2011; Maitlis and Christianson 2014; Rouleau and Balogun 2011; Rosso et al. 2010; Sandberg and Tsoukas 2015; Sonenshein and Dholakia 2012; Weick 1995; Weick et al. 2005; Wrzesniewski et al. 2003). Actions of structurally linked colleagues shape meanings through processes of affirmation or disaffirmation (Wrzesniewski et al. 2003, Ford et al. 2008, Balogun and Johnson 2005, Sonenshein and Dholakia 2012). Thus, both close and distant relationships influence sensemaking. Colocated peer-based interactions (Bartunek et al. 2008, Sonenshein and Dholakia 2012, Wrzesniewski et al. 2003) tend to lead groups to reach common understandings. More distant interactions, such as with those higher (or, perhaps, lower) in the hierarchy also affect shared understandings (Balogun and Johnson 2005, Kark 2011, Podolny et al. 2005, Rosso et al. 2010).

Sensemaking also takes place in *interpretive* contexts (e.g., Elsbach et al. 2005, Gioia and Thomas 1996, Weick 1995), bound by the cues and interpretations available to the collective (Rosso et al. 2010, p. 113). Research shows how the meanings of change events and actions constructed by those on the receiving end of change are influenced by their frames of reference (Balogun et al. 2011, Bartunek et al. 2006, Isabella 1990, Labianca et al. 2000, Sonenshein 2010), which arise from their collective and shared historical contexts (Balogun and Johnson 2004, 2005; Elsbach et al. 2005; Kaplan and Tripsas 2008). Interpretive schemes (Bartunek 1984) or frames of reference (Moch and Bartunek 1990), the shared assumptions that govern how organizational members or its subgroups conceive of their environment, are central to meaning construction (Balogun and Johnson 2004). They are drawn on to interpret and understand how to respond to events, since they "structure organizational experience, allow interpretation of ambiguous situations, reduce uncertainty in conditions of complexity and change, and provide a basis for taking action" (Orlikowski and Gash 1994, p. 176).

The concepts of interpretive and relational contexts together provide a way of conceptualizing how both the larger organizational and specific, locally shared contexts of a divisional senior management team shape its meaning constructions about change. Importantly, while studies have tracked how interpretive contexts influence sensemaking and change through exploring how frames of reference develop and influence action (e.g., Balogun and Johnson 2004, 2005; Labianca et al. 2000; Rerup and Feldman 2011), they have (1) inadequately focused on a particular team as an interpretive community to explore the extent to which wider organizational and team-specific frames of reference guide its interpretation of change and (2) inadequately combined consideration of the team's interpretive and relational contexts to consider how its sensemaking is influenced by the team's interactions with others both locally and in more distant senior teams.

Narratives and Sensemaking

A narrative approach has particular relevance to studies of sensemaking and change, since it enables us to search out the multiple and often conflicting meanings around change that research rarely surfaces, yet are significant to understanding how change unfolds (Maitlis and Sonenshein 2010, Maitlis and Christianson 2014, Sonenshein 2010). Narrative approaches build on the idea that language is constitutive and not just representative of social and organizational reality (Maguire and Hardy 2009, Maitlis and Christianson 2014, Phillips and Hardy 2002) to highlight the divergent interpretations that can form around strategic change initiatives (Barry and Elmes 1997, Brown and Humphreys 2003, Buchanan and Dawson 2007) and the consequences of these. Meanings constructed in narratives "make things happen" (Buchanan and Dawson 2007, p. 671; Hardy et al. 2000) by suggesting courses of action.

Like Sonenshein (2010, p. 480), we view *narrative* as a "discursive construction" that actors use as a tool to make sense of and give sense to others about events and as an outcome of collective meaning construction. Importantly, narratives can be content analyzed to reveal the meanings individuals and groups attach to change, and what and who is influencing these (Pentland 1999, Sonenshein 2010). Therefore, we study how the relational and interpretive contexts in which a senior management team is embedded together shape its particular meaning constructions, as revealed in the team's evolving narratives over time and its actions taken in response to change.

The Study

Our research is based on a single-site, longitudinal, real-time qualitative case study exploring strategic change in the European division of a FMCG multinational corporation (MNC) here referred to as Brand Corporation. We study the sensemaking and actions of the UK senior management team as these evolved during the development of the new European division under the control of a new European executive team over a period of almost three years.

A single site exploratory case study is appropriate for our research question (Eisenhardt and Graebner 2007, Yin 1994), since it enables the in-depth focus required on a senior management team over time to appreciate how both the larger organizational context in which the team exists and its specific, local context, together shape team-based meaning construction and the consequences of this. Case studies enable understanding of the dynamics present within a setting and access to the participants' point of view (Eisenhardt 1989). Consistent with others (Balogun and Johnson 2004, Corley and Gioia 2004) we took steps to ensure trustworthiness (Lincoln and Guba 1985) through prolonged engagement with the research site, enabling real-time data collection, multiple methods and sources of data collection, and building a thick description.

The European division was radically reorganized at the end of 2005 in response to declining margins caused by a tough competitive retail environment across Europe. The restructuring was intended to move European country-based sales and marketing organizations from a multidomestic model in which autonomous country vice presidents (VPs) set strategy for their own geographic territory to a more integrated model that put "consumers and customers first." The marketing function was to be centralized in three core European marketing categories (focused on consumers), which would be responsible for decision making in strategy and marketing for all brands across Europe. The sales function was to be left local to focus on retailers (customers).

The new structure introduced greater centralization. A new European board was inserted above the country VPs and the country boards they had run. Ultimately the local (country leadership) roles (country VP, sales director, finance director, etc.) were to be downgraded, as more functions were managed centrally by the new European board to be located in a European head office. The location of the new head office, Eurocity, was announced late in 2006. As is true for most radical restructurings, the new structure announced in 2005 was only a blueprint (Balogun and Johnson 2004). Thus, early on there was a transitional period in which the extent of centralization of human resources (HR), finance, logistics, etc., was not as apparent in the way it would be in 2007.

This paper focuses on the UK senior management team, composed of many prior UK board members, as one particular interpretive community within the European division. It follows how this team interpreted and responded to change.

The original UK VP moved in the restructuring to become one of the European VPs. He was replaced with a new UK VP (Gerry), who was returning to the UK after a three-year absence on global assignments for the parent organization. Gerry and the other senior managers, five functional directors and four marketing directors, knew each other well, having worked closely together over the years. They continued to work together during the changes, remaining in their offices on the director's floor of the UK until they either left the company or relocated to Eurocity (one marketing director did this). However, the restructuring in late 2005 moved the UK marketing directors from a direct reporting line to the UK VP to a direct reporting line to the new European category VPs.

Performance issues were salient for the UK at the beginning of the restructuring. The UK had not met its growth targets for the last few years, whereas previously it had been one of the highest performing markets in Europe. The UK VP was briefed to return the UK to performance within the new European structure. Thus, to rebuild performance and growth, the UK senior managers launched a UK change initiative called "Good to Great" (g2G) that was intended to complement the European change. In what follows we develop the story of what happened to the UK team over the course of the three years in which change unfolded.

Data Collection

The data were collected as part of a larger research project that followed the implementation of the changes to create more integrated ways of working across Europe within Brand Corporation. The field research was carried out by the first author, who spent extensive time at the UK Brand Corporation offices. The researcher was afforded significant access to the UK senior management team; on her visits she regularly sat on the director's floor and was able to join in their informal conversations and banter as well as formally interviewing them and attending meetings and workshops. Visits were monthly from November 2005 (the start of the implementation of the new European business model) to summer 2007. As the pace of change slowed, the frequency of site visits was reduced to bimonthly but continued until August 2008. Data were collected through interviews, focus groups, observation of meetings and the site generally, and documentation such as newsletters, conference speeches, and intranet communications. These different data collection methods enable some degree of triangulation (Jick 1979, Yin 1994). The interviews focused on understanding the perspectives, experiences, and meanings of the different managers, whereas

other data sources, such as the newsletters, provided data on what they were saying in public to others.

Approximately 35 individuals were interviewed regularly. Because the research design involved following the European change process in depth in the UK, the interviewees included all of the UK directors and both the incoming and outgoing UK VP, as well as senior European managers to track change at the European level. Interviews were conducted every two to three months in 2006, once a quarter in 2007, and twice in 2008. They normally lasted about 45 minutes to 1.5 hours and were recorded and transcribed. Initial interviews focused on gathering background on the senior management team and the organization, and early reactions to change. From then on, the interviews focused on the managers' reactions to the change, their opinions and responses to new decisions and initiatives (European and UK), their own personal change journey, what they were personally involved in at the time, and their future plans. Observation of relevant events included two major two-day UK senior management team change workshops (March 2006 and December 2006), UK annual employee conferences (2006, 2007, and 2008), European leadership team change roadshow presentations to the UK (end of 2005, early 2007), UK leadership team workshops (top 50 UK managers: April 2006, October 2006), bimonthly director's dialogues, employee communication forums, and relevant business meetings. Extensive field notes were taken at all of these events (and typed within 24 hours).

The considerable amount of time the first author spent each month at the UK head office provided the opportunity to observe the nature of the UK organization more generally and how things were changing. All observations were captured in field notes following each visit to the organization. These field notes were always typed within 24 hours. The researcher took copies of all relevant documentation. This included newsletters (UK and European), emails and intranet announcements, workshop presentations, and background documentation.

Data Analysis

We began our analysis by constructing a thick description (Langley 1999, Van Maanen 1979) of the personal experiences and reflections of the UK senior managers, captured in interviews and field notes. We created a chronological account of all activities and events between December 2005 and August 2008 in the European division and the UK, using the field notes, interviews, and documents. This account was annotated with all relevant interviews and field note extracts by the first author and then shared with the second and third authors. We worked with these materials jointly to understand the factors driving the responses and actions of the UK senior managers during the implementation of the new structure. Importantly, our exploration revealed considerable commonality in how the UK managers were experiencing and making sense of the change process.

Narrative Analysis. Our thick description made evident that the UK managers were constructing two different interacting narratives, each of which evolved over time. The first was about the European change, its direction and intentions, with characterizations of the European managers as transactional and not people-focused. The second was about the need for a UK specific change program to restore the UK to successful performance within the broader European initiative. It reflected how the managers thought they should respond locally to the European initiative.

To develop these narratives, we drew on the composite narrative approach used by others working in the same narrative tradition (Dunford and Jones 2000, Sonenshein 2010). The approach involves the construction of narratives from central themes identified in the "fragments of stories" (Boje 2001, p. 5) told about a change process, rather than fully formed stories as in more classical literary narrative analysis. A focus on distributed fragments of discourse, rather than a conventional narrative analysis on structures, plots, and actants, makes this approach ideal for analyzing multiple unfolding narratives during processes of change over time (Vaara and Tienari 2011).

Narrative fragments are found in diverse organizational artifacts, such as strategy documents, speeches, films, etc., as well as in interviews and "naturally occurring" organizational talk (Boje 2001). Working across our thick description and the original interviews, documents, and observation notes, we identified multiple consistent fragments of stories that coalesced into a composite picture of the shared narratives that the UK managers were constructing of the UK and European change initiatives at any given time. We also identified three time periods (late 2005–2008) within which the narratives were consistent but between which they differed. We then used the composite narratives we had identified as present at each time period as our data. We closely analyzed the managers' narratives of the European and UK change initiatives across time periods to determine what they revealed about the managers' sensemaking over the course of the change.

Relational and Interpretive Contexts. Pentland (1999) argues that narrative data contain indicators of the roles and social structure of focal actors. Other features of narrative, such as voice, can indicate the nature of social relationships. Thus, to explore the UK team's *relational* context we examined their narratives for indications of *who* was influencing their sensemaking, paying close attention to references to interactions with and actions of others, to across group comparisons and how they referred to themselves (e.g., in the first person and by name) as opposed to how they referred to the European managers at the change (in the third person and by job title). There were two sets of significant interactions: within-group, frequent, colocated interactions with

each other in the UK and across-group, infrequent, primarily action-based interactions with the geographically distant European managers. These differing interactions fostered very different sensemaking.

To explore the UK managers' *interpretive* context, we again draw on Pentland (1999) and the notion of evaluative dimensions. We examined the UK managers' narratives for the frames of reference influencing their sensemaking. We define a frame of reference consistent with others (Balogun and Johnson 2004, Elsbach et al. 2005, Isabella 1990, Moch and Bartunek 1990, Rerup and Feldman 2011) as an interpretive schema,[1] created and shared by the members of an organization or group through social interaction and negotiation, and through which people view events and their environment to give meaning to everyday activities. We identified several distinct frames of reference the UK managers drew on in their narrative constructions: frames to do with the wider organization, the UK subsidiary, their role, and the business environment. Our longitudinal tracking also enabled us to explore how frames of reference at any one point in time influenced their subsequent sensemaking.

Narrative Evaluations and Affect. We used the narratives to understand how the UK management team was evaluating the European and UK change initiatives. Consistent with Gergen and Gergen (1997) we explored whether the narratives were *progressive*, focusing on things getting better, or *regressive* and focusing on things getting worse.

Our approach exposed nuanced elements in these evaluations. First, the narratives revealed differing evaluations about the European change *content* and change *process* (Pettigrew 1985). This distinction was important, not just because (occasionally) one could be progressive and the other regressive, but more importantly because the evaluations of change process were driven by interpretations of the actions of those managing the process and, over time, came to influence evaluations of the change content. Thus, evaluations of change were driven not just by evaluations of content but also by evaluations of those managing the process and the nature of relationships with those individuals. Thus, they were strongly influenced by relationships in the relational context.

Second, the narratives included strong affective dimensions, such as excitement at the success of the UK change process, and anger at the impacts of the European change process. Following Walsh and Bartunek (2011) and Huy et al. (2014), who build on previous categorizations (Seo et al. 2004, Huy 2002), we coded the progressive and regressive evaluations for their emotional expressions. We categorized each one based on whether it represented high or low pleasantness (unpleasant–pleasant) and high or low arousal or activation, terms used synonymously by Russell (2003) and in the "circumplex" model of emotions (Larsen and Diener

1992). These two dimensions create four categories that capture (almost) the full range of emotions (Bartel and Saavedra 2000, Huy et al. 2014).

This analysis revealed that the affective responses impacted action. As Elfenbein (2007, p. 334) notes, "just as organizational change evokes emotions, so too do emotions evoke organizational change." Affect gives energy for action (e.g., Cornelissen et al. 2014; Elfenbein 2007, 2014; Huy 2011). Following Huy et al. (2014), we created Table 1 to map and track the interrelationships by time period between interpretive and relational contexts, the UK managers' narrative evaluations and affective responses for the European and UK changes, and the actions they took in the UK. This supported the notion that activated affective responses led the UK managers to act.

We present our findings in two sections, drawing on Table 1. First, we present by time period the narratives the UK managers constructed about the European change initiative, detailing key events for each time period, the progressive and regressive narrative evaluations of the European change content and process, and the affect expressed in narratives about it. Second, we present by time period the narratives the UK managers constructed about the local changes they should implement in response to the European change initiative. Again, we detail key events, the progressive and regressive narrative evaluations by the UK managers of the UK change content and process, the affect expressed in the narratives, and also the resulting local actions of the managers.

Although the managers' narratives about the European change initiative and the UK changes are intertwined, presenting them separately facilitates understanding of what was occurring both organizationally and locally as change unfolded. We provide considerable narrative data that, at the end of each section, we unpack to show how change evaluations, as well as affective responses and actions taken by the UK senior managers, were shaped by the team's relational and interpretive contexts over time. After presenting our findings, we use them to expand on the conceptual components of our generalized model to account for how the embedded sensemaking of senior management teams charged with implementing an organization-wide change program influences what happens locally.

Findings

The UK Managers' Narrative Evaluations and Affective Responses to the European Changes

The narratives the UK management team constructed about the European change initiative evolved and interacted over time as the change unfolded, leading ultimately to a regressive assessment of both the content

Table 1 Narratives, Narrative Evaluations, Affective Responses, and Interpretive and Relational Contexts

	T1	T2	T3
European change announcements and initiatives	Integration through marketing categories New structure implementation	Project Europe	Restructuring: UK subsumed within a bigger region
European change initiative			
Relational context	Limited interaction with senior managers in Eurocity: Sensemaking about	Limited interaction with senior managers in Eurocity: Sensemaking about	Limited interaction with senior managers in Eurocity: Sensemaking about
Interpretive context	*Organization FoR*: "Tough love" *Local UK FoR*: "Valuing people" *Role FoR*: "UK country managers as autonomous senior managers"	*Local UK FoR*: "Valuing people" *Local UK FoR*: "change management as people engagement" *Role FoR*: "UK country managers as senior managers"	*Organization FoR*: "Tough love" *Local UK FoR*: "change management as people engagement" *Role FoR*: "local devalued and local managers downgraded"
Managers' narratives and narrative evaluations of European change initiative	"European change process is transactional: European managers do not value people" *Progressive change content but regressive change process*	"European change process is transactional and is downgrading local" *Regressive change content and process*	"EU change process is disempowering and devaluing of local and not providing leadership" *Regressive change content and process*
Expressed affective responses	Content: Pleasant—Largely inactive Process: Unpleasant—Activated	Content: Unpleasant—More activated Process: Unpleasant—More activated	Content: Unpleasant—Activated Process: Unpleasant—Strongly activated
UK change initiative			
Relational context	Intensive conversations and interactions within the team: Sensemaking with	Intensive conversations and interactions within the team: Sensemaking with	Intensive conversations and interactions within the team: Sensemaking with
Interpretive context	*Local UK FoR*: "recent underperformance" yet "historically successful" with "strong assets against which performance can be rebuilt" *Business context FoR*: "strength of UK subsidiary in unique UK market" *Role FoR*: "UK managers responsible for leading UK"	Also now "sensemaking about" UK employees responses to local g2G change initiative *Local UK FoR*: "success through g2G"	*Role FoR*: "local devalued and local managers downgraded to middle managers" *Local UK FoR*: "Valuing people" *Local UK FoR*: "change management as people engagement" *Local UK FoR*: "success through g2G"
Managers' narratives and narrative evaluations of UK change initiative	"We have responsibility for leading UK back to performance through g2G" *Progressive*	"We are succeeding in leading UK back to performance through g2G" *Progressive*	"We are not valued and do not fit any longer" *Regressive*
Expressed affective responses	Pleasant—Strongly activated	Pleasant—Strongly activated	Unpleasant—Strongly activated
Local change actions	Implementing g2G	Implementing g2G:999	Resigning from the organization

and the process of the European change. Their regressive evaluations led them to conclude that the European managers did not share their people-based values and that, therefore, the European change initiative was creating an organization in which people were not considered to be as important. These evaluations were accompanied by affective responses that became increasingly unpleasant and activated, impacting their actions, including ultimate decisions in the team to resign. Below we unpack the narratives, evaluations, and affect to show how they developed from the UK managers' relational and interpretive contexts.

*T*1: *End* 2005 *and* 2006

European Events. The new European structure was announced by the European president of Brand Corporation at the end of 2005 through a series of road shows to the country leadership teams. Through 2006 the European president and his executive team focused on completing the restructuring. He announced senior appointments before the end of 2005. However, the new European managers initially remained in their existing country-based offices, since the location for the new European office had not been selected.

UK Managers' Narrative Evaluations About European Change Initiative: "*Change is needed, but change*

process is transactional." In response to the initial change announcements, the UK managers constructed a progressive narrative for the European change *content.* They described the change as "massive but necessary." For example, "it's a massive change of organization in comparison to other changes that I've seen Brand Corporation go through in the 11 years that I've worked here." And "if we are really going to get fit for the next decade then we need to change the way we do business."

However, as the restructuring moved forward, the UK managers started to construct a more regressive narrative about the European change *process*, one critical of the way the changes were managed. They described the company as "very much in transactional mode, shit, we have just got to get jobs done, people organized, get letters done, got those made redundant...we haven't thought about people at all." Not only were people forgotten, but they were treated like overheads and costs, "overheads are actually people and these people have got skills and talents, loyalty, experience...and they're, you know, they might read that their jobs no longer exist in a newsletter or in a notice." The European managers did not seem to care, "he [a particular European manager] wasn't at all interested in 'value added' that could be provided by staff and certain roles, he was just interested in cost. People/head count equaled cost."

This regressive narrative about the process also constructed the (distant) European managers as transactional in their approach in comparison to colocated UK managers like Gerry, "you win people's hearts. That's how you influence them and that's what Gerry is very good at." Whereas the European managers were relatively "invisible" in the UK and "focusing on the task, clear goals, and objectives." They were "managers who don't know local people."

The managers linked the European transactional change approach generally with the "tough love" ethos of the organization, "The company is playing a tough love strategy with them, here's the deal, take it or leave it." "Tough love" was to do with being paid well as long as one performed, "drive them to achieve a lot and perform very well and if you do that you get loved...And you get a decent salary and a decent bonus, and lah di dah...If you don't you're dead." This, in turn, was associated with a culture to do with "get on top of your numbers." We spend, "a lot of time in reporting, analyzing, and putting things in nice presentation decks...."

The UK managers were also beginning to construct themselves as middle managers of the corporation rather than the autonomous local senior managers they used to be: "We feel more and more like middle managers, because basically we are not calling the shots anymore on any of these things." The UK managers were not "consulted"; they were not part of the decision making for the European changes, "So we've gone from a...primarily country focused business (where) we

make the majority of the decisions and we argue with the center whether we can do what we want or not." And "They, you know, have given...us a fait accompli."

Affect. The UK managers' narratives about the European change content revealed a pleasant affective reaction since change was needed. Yet they revealed an unpleasant affective reaction accompanying the regressive evaluations of the change process. Affect was demonstrated by expressions such as, "feeling of disconnection and limbo" and "I just feel a bit kind of distanced from the whole thing." Some managers would literally shrug their shoulders (interview field notes) while talking about their lack of involvement in decisions affecting people they traditionally viewed as their staff. On the other hand, the affective response to the treatment of people was stronger with words like appalling used to describe it. Thus the evaluation of the change process contained unpleasant and to some extent activated affect. See Table 1 T1.

T2: 2007

European Events. The European president formally announced Eurocity (in mainland Europe) as the location of the new European headquarters in August 2006. Anyone with a top European job now had to agree to physically relocate to Eurocity in 2007 with their families (as did the one original UK marketing director who did relocate) or take an exit package (as did two of the other original UK marketing directors). As the year progressed, therefore, familiar faces started to disappear from the UK. Further, the European president announced a new project, Project Europe. This project involved the creation of a new integrated European business model to deliver harmonized working practices and support Eurocity as a tax efficient location. Thus, it required centralization of decision making.

UK Managers' Narrative Evaluations About European Change Initiative: *"The change process is transactional and is downgrading local."* The UK managers continued to construct a regressive narrative about the management of the European change process, in which the process displayed little concern for the impact on people, and in which they evaluated the actions of the European managers in negative terms. They talked of the change process "missing the point." The actions of the European managers were not consistent with "change management," which should be concerned with "getting and keeping (employee) engagement." The actions of the European managers showed that they did not value people: "Change management is working with people, getting and keeping their engagement...However, in the rest of Brand Corporation the attitude to people is...we just get more (people) ...we just replace them. This misses the point...valuable people are leaving." "Some of the ways individuals have been treated in these changes...are utterly appalling. And HR should

be ashamed of themselves that they've let it go on...It's just amateurish some of the stuff we've done."

As centralization in Eurocity progressed and the implementation of Project Europe began, the UK managers' narratives started to include regressive evaluations of both the European change content and process. Local was being "downgraded." Their autonomy was decreasing. "My job is to change the UK to a smaller company with less talented people, as most thinking has been centralized." "I sense a malaise in the business...people feel distanced as it moves to being European. If One Europe goes to its logical extension there won't be jobs for people like me...policies will be devised centrally and imposed." "The new global strategy comes complete with a set of visuals and a script that has to be followed with no tailoring allowed...the script is terrible as it doesn't suit the UK, but any suggestions I have made about tailoring the presentation have been squashed."

Affect. The language in the regressive evaluations of the European change process, such as "utterly appalling" (as opposed to just appalling in T1), "amateurish," and "ashamed," indicated that the regressive European evaluations were accompanied by very activated, unpleasant affective reactions in T2 in comparison to T1. The narratives also revealed an unpleasant activated response accompanying the now regressive evaluations of the change content, with language such as "I sense a malaise." See Table 1 T2.

T3: 2008

European Events. By the end of 2007, Project Europe was moving forward and the European organization had centralized in Eurocity. The European president retired. Under his successor, there was another reorganization that involved creating bigger European regions. The UK was subsumed into one of these, but the UK VP was not promoted to be its VP. The belief in the UK was that the European senior managers did not like the UK doing things differently (particularly the success of g2G, as will be discussed below).

UK Managers' Narrative Evaluations About European Change Initiative: "EU change process is disempowering and devaluing local and not providing leadership." The UK managers' regressive narrative about the European changes evolved to portray even stronger negative evaluations about both the change content and change process. Their narrative focused even more on the change as disempowering and devaluing of local. The UK managers were constructing themselves as disempowered and local as devalued, since there were decisions they could no longer make. "There will be no local—the UK won't even be allowed to do initiatives like g2G." "If you want to take an international flight now that's not within Europe, you have to get the president's personal approval. If you need to fly to the States on business, he has to approve it...If you need to stay in

a hotel, here are the list of three hotels you're allowed to stay in...we had two or three notes like that in the last month...and you think 'What else?,' you know, next I'm going to have to get approval to go to the toilet." The impacts of these changes were evident in phrases such as "Eurocity is everything, the rest of you are just...you know," and "every time one comes through (a note), me and my colleagues, our shoulders just drop a bit more." "We can see the writing on the wall."

There was a continued emphasis on the European process as lacking leadership with a lack of concern for people: "There is no leadership...I've just closed down an office with many people being made redundant but the European director has not even bothered to pick up the phone to me and ask how it is going." "I mean I don't mind if the organization wants to run its hard-nosed way and say 'Tough shit' but don't pretend to be something else. It's the hypocrisy I can't stand."

The UK managers' regressive evaluations of how the EU managers were (not) leading the change process were consistent with their negative evaluations of the change content. They were now constructing the European managers as not just lacking a people focus but as "bureaucrats" and "process junkies," resulting in a "disengaged" organization: "Put it this way...process junkies, bureaucrats, which we seem to be heading down that route...ZZ is a good example...there he is, he runs (function) for Europe. The UK senior managers go over to Europe. He said he's not in. I happen to be on the seventh floor and there he was...Even if he'd come down for a coffee and mingled, that'd have been fine." "For me, these guys (European managers) are doing too much doing, and not doing enough leading...and unsurprisingly we've got a fully disengaged organization."

Affect. The unpleasant, highly activated affective reactions accompanying the evaluations now revealed not just disappointment and disgust (see comments about toilet and hypocrisy), but also a great deal of anger and sarcasm. For example, "How dare they treat local people like that...Would the VP get on a plane and come to here to meet the team? No. Would he get a junior to type up a deck saying how he wants them to behave and send it out? Absolutely!" The affective reactions were both strongly unpleasant and strongly activated. See Table 1 T3.

UK Managers' Relational Context and Their European Change Narratives

The narratives in all three time periods show how the relational context influenced the meanings the managers were developing about the European changes and the impact this had on their affective responses to the changes; see Table 1. Exploration of the narratives revealed the roles of geographic proximity and distance; the UK senior managers were sensemaking with *each* other *about* the European managers based

on the encountered actions of these managers, since face-to-face interactions between the European and UK managers were so infrequent. Note how in T1 the UK managers describe the European managers as relatively "invisible" and said they were not "consulted" but "given a fait accompli." The actions of the European managers suggested to the UK senior management team that they did not care about people but saw them as costs and overheads. By T3 the UK managers were very explicit about their (shared) lack of interaction with the European managers, "Can't even be bothered to pick up the phone." "He said he is not in."

The UK managers were drawing comparisons between the European managers and themselves such as the European managers "focusing on the task" rather than "influencing through winning hearts" (T1). The language the UK managers used was an important indicator in these comparisons. When talking about the European managers throughout all three time periods it was largely "he" or "they," whereas they referred to themselves as "we" or referenced each other by name. Such differences in language indicated in-group and out-group membership (Pentland 1999). The UK managers' narratives, therefore, revealed how the relational context consisted of themselves as a collective, like-minded community in which people mattered, whereas the European managers were a set of antagonists to whom people did not matter.

Thus, throughout the three time periods, the actions of the European managers influenced the UK managers' evaluations of the European change *process*. It was this process, not necessarily the change content (especially early on) against which the UK managers directed much of their ire and sarcasm. By T3 the evaluations of the change process were also influencing evaluations of the change content, however. As it became less possible for the UK to remain separate from the rest of Brand Corporation ("Eurocity is everything"), this led to evaluations of the European change content as delivering a shift in the UK to an organization that is like other parts of Brand Corporation.

UK Managers' Interpretive Context and Their European Change Narratives

The narratives revealed the extent to which the meaning constructions of the UK managers about both the change process and content were influenced by their frames of reference about Brand Corporation generally (organization frames of reference) and the UK in particular (local frames of reference) in all three time periods; see Table 1.

One important *organization frame of reference* (T1) was that Brand Corporation operated on the basis of "tough love" ("The company is playing a tough love strategy"). This strategy focused on numbers, with little tolerance for low performance, but it provided high rewards and benefits for those who did perform. The

transactional approach of the European managers was positioned in the narratives in T1 as consistent with this. The European managers were extending the "tough love" way the business was run to the way they ran the change process ("Here's the deal, take it or leave it").

The regressive evaluations the UK managers constructed about the European change process also showed that they were operating from a *local UK frame of reference* about the importance of people in the organization, which influenced their interpretations. In T1 they referred to people as having "talents and "skills"; they provided "value" that was not being acknowledged. In T2 they referred to change management and that it should be about "people" and "engagement." Thus the UK managers constructed the European managers' actions as "miss[ing] the point," as inappropriate.

The narrative construction by T3 of the European managers as process junkies and bureaucrats, with little interest in people, influenced regressive evaluations of the change content. There was a growing interaction between meanings attached to the change process and to the change content; the European managers' actions (such as not taking time for face-to-face interactions) were taken to say something about the nature of the new organization (the change content).

The UK managers' narratives also revealed how the European change content challenged their existing *role frame of reference* about the nature of a country manager's role. By T2 they were evaluating the European change content as inconsistent with their *role frame of reference* to do with themselves as senior managers; they were being reduced to middle managers (*my job is to change the UK to a smaller country, principles and policies will be imposed*). These contrasted strongly with the former role frame of reference about a country manager, "calling the shots," "we make the majority of decisions" (T1). Come T3, the increasing number of imposed processes and procedures from Eurocity supported this newly salient UK *role frame of reference*, that the changes involved reducing country managers to middle managers.

The UK Managers' Narrative Evaluations and Affective Responses to the UK Changes

Our analysis of the narratives the UK senior management team constructed about the changes they should implement in the UK given the European change reveals a very different pattern. They developed narratives about the need for a UK change program for which they would take the leadership role addressing the performance issues the UK had experienced over recent years, consistent with their brief to return the UK to performance within the new European business model. They labeled this "good to great" (g2G) to reflect the fact that the UK was still good but needed to be great again. Their narrative evaluations initially assessed the g2G change

initiative as progressive, evoking pleasant and activated affective responses. However, as Project Europe led to more centralization and less scope for UK independence, the UK managers started to construct more regressive narratives about change in the UK that included very negative and activated affective responses. Many of them subsequently resigned. Again, we track the narratives over the three years to show how the narratives interacted and evolved, how they related to events, affect, and action. We then unpack these UK specific narratives to show how they developed from the team's relational and interpretive contexts.

*T*1: *End* 2005 *and* 2006

UK Events. The new UK VP, Gerry, returned in January 2006. The former UK marketing directors (and other senior UK marketing people) were moved to report into the new European categories and were removed from what was the UK board. However, Gerry created a UK senior management team, which he invited most of the old board to join. Thus, the UK senior managers, including those transitioning into new European roles, continued to work together, remaining in close physical proximity in colocated offices. This facilitated the frequent and informal interaction that always had characterized the team. They continued to interact formally in UK management team meetings, and also informally as they discussed the latest business developments, shared company news and gossip, joked, and exchanged pleasantries in the open plan area that connected their offices. Gerry organized a two-day workshop in March 2006 for the senior management team to consider what they as a team needed to do in the UK in response to the European changes and the performance challenges they were tasked to address. At this workshop they developed the g2G change program to restore the UK to performance and which they assigned themselves responsibility for leading.

UK Managers' Narrative Evaluations About the UK Changes: *"Leading the UK back to performance through g2G."* The UK managers' regressive narrative construction of a transactional European change process influenced the construction of a progressive UK change narrative in which the UK managers needed to redress the negative impact of the European change process on UK staff. The transactional process was leaving a vacuum; little was being done locally by the new European managers, "There's been a lot of pissed off people who are saying like, you know, 'After my 25 years with the company, is that the way I'm treated?'" And "It is not helped by the fact that no one has said…here's the big picture, and this is where and how all of this trauma fits." The UK managers needed to step into the gap left by a lack of guidance from European managers about the nature of country subsidiaries in the new European division. They needed to take personal responsibility for leading the UK back to profitability through g2G.

The managers' narratives about change in the UK revealed that whereas they sensemade *about* the European managers, they were sensemaking *with* each other, and through this constructing particular evaluations of change in the UK which also expressed strong affective responses; see Table 1. As a colocated sensemaking community, their intragroup interactions led to a shared evaluation of the changes needed in the UK within the new Europe. The regular use of the active voice to describe actions and the use of "we" suggest that the managers considered themselves a cohesive community with a shared agenda. Sensemaking occurred in shared conversations and interactions.

An example at the end of 2006 illustrates this. The first author was visiting the offices. She had a conversation with one of the UK managers (noted in field notes) about a meeting he attended with a senior U.S. manager, who had talked about growth in a similar way to g2G. This UK manager took this as an indicator that the UK was in line with global strategies of Brand Corporation. In the interviews the researcher conducted that day with other UK managers, this story about the U.S. manager came up repeatedly, and in each instance when asked where the individual had heard it, the answer was always from the first UK manager.

The g2G narrative included three components. The first component was that the UK was currently "demotivated" given its "dreadful" recent performance (missed targets): "What we do need to talk about is we have got this demotivated organization, what the bloody hell are we going to do to fire them up and get the best out of them…" "our recent financial performance is dreadful…but the behaviors most people in this business adopt is playing not to lose and then in brackets after that their job…So we must engender a very different attitude and behavior which is all about playing to win."

The second component was that the UK had until recently been successful, "a phenomenally profitable company," a leader in Europe, with some of the "best" people, and for the management team members "that makes you feel very proud." And "The UK, from traditionally, you know, being one of the leading businesses of Brand Corporation in Europe…always at the forefront of thinking, of the development of new business practices, new business processes, superior marketing thinking…So we are dealing with people here who are very high quality in the old part of the organization, and very much used to shape the future, not only to implement it and we do, but to shape and design…."

A third component, therefore, was that the UK had the assets to perform better, "Hang on a minute, we're a large country, high revenue, good profit, good capability. We're actually in a reasonable place." And "Because of the portfolio we have got and the way we have focused on efficiency, we are very profitable…our brands…are

big vibrant brands... I do believe that we have a great community of people." In addition, the narratives constructed the UK as a largely unique market. There were "fundamental differences between consumers in each of the countries, and... the way the markets operate." "In all of [the UK] categories we've got very local brands." It was necessary to "maintain that understanding of the UK" for the UK to thrive.

The European initiative created a space and opportunity for the UK senior management team to take leadership: "Our job here is to lead the Brand Corporation community in the UK... let's get on with it... I am excited about that." And "we all, pretty much, said exactly the same thing. Business still exists; commercial reality and the targets are still there.... So, there's still an important role to play." They positioned themselves as needing to take responsibility for the state of the UK: "when we were successful, we were arrogant," but also as the people who needed to lead the UK out of it, "It's the same crew on deck (referring to themselves). We have to do something because the alternative is 'Lord of the flies,' biting in on itself."

The UK managers clearly constructed themselves as having a shared responsibility to return the UK to growth and performance, as reflected in the repeated use of the word "we" and references to the workshop at which they developed g2G: "(W)e as a group take it on as a personal responsibility to change the way we work fundamentally. I had a chat with [another UK senior manager] this morning... (we have) agreement as a group as to how we need to operate as a company." And "We absolutely understand it and it's our job now to facilitate it."

At the launch of g2G at the employee conference in May, in newsletters and their discussion with each other, the UK managers consistently positioned g2G as a return to growth ("at least six percent a year"), using "brands loved by more people (and) ... we'll be building the brands of tomorrow too." g2G was also about restoring soul (morale) to the UK. The UK would be a "company full of great people, having a great time making a hell of a difference." Following the conference, the UK managers started to put the promised g2G initiatives in place. As these initiatives progressed, the managers' narrative began to construct g2G as a success. There was "fantastic stuff going on...." The events were creating "a buzz." The UK was "on the way again": "Friday was... charity day for the World Cup... I came dressed in football boots and shorts... it was good. Did anybody... do any work? Not much, but... the soul bit worked extremely well." And "We have got some fantastic stuff going on ... There is buckets of stuff and there is loads more to come and I feel good about it."

This UK narrative contained progressive evaluations not just about the UK change content but also about how the managers themselves were contributing to the success and were feeling positive once more. This is indicated in the reference above to dressing as a footballer and comments such as, "I was thinking I no longer liked Brand Corporation... if the phone rang with a recruitment consultant I would consider it... Now I feel we are on the way again."

Affect. The affective reactions in the progressive evaluations of the UK change initiative were pleasant. There was "fantastic stuff" designed into the change content. In terms of the process they were going to "help people and direct them." Furthermore, these affective responses were strongly activated, including excitement around g2G. The managers used language that showed energy and passion, "brands of tomorrow," "hell of a difference." As g2G started to have an impact, the managers talked of being "on the way again" with "buckets of stuff going on." The narratives show a strong comparison between the affective response to the UK change initiative and the European change initiative. See Table 1 T1.

Change Actions. The managers implemented the 2006 g2G initiatives and started developing others that were longer term. The immediate initiatives included regular communication events like Director's Dialogues, initiatives to bring in new ideas while cutting bureaucracy through "does it make the boat go faster," charity events, like the football discussed above, and a company fun day, designed to rebuild *soul* (morale). Other longer-term initiatives involved creating a coffee shop to link to company brands and rebranding the meeting rooms. In the 2007 business planning process starting July/August 2006, the UK VP sought to negotiate more achievable 2007 financial targets for the UK to encourage a more positive mindset. The UK managers then used these targets as a focus for their plans to take g2G forward in 2007. They held a workshop in late 2006 to review progress with g2G and based on its success to date, developed a theme of "g2G: 999"[2] for 2007, where 999 represented the UK's financial target for 2007, and a plan to help deliver this.

*T*2: 2007

UK Events. Although the company was centralizing in Eurocity and Project Europe was underway, the UK managers remained in place to run the UK business and continued to implement their g2G initiatives. The new g2G theme was launched at the all-employee conference in March 2007.

UK Managers' Narrative Evaluations About the UK Changes: *"We are succeeding in leading the UK back to performance through g2G."* The UK managers continued to construct progressive narratives for g2G change initiative in the UK. These reflected their success in returning the UK to performance through g2G, "We wanted to kick into the new year very optimistically... we wanted to give the message that after a difficult year in 2006, quarter four has had a hockey stick[3]... the result of that was that we finished the year in growth... for the first time in three or four years."

The UK managers evaluated the change content for 2007 in terms of "delivery," "we must hit our target in every business in every month all year" and "the emphasis in 2007 is on growth and there's one number that we want the people to have forefront in their mind −999. And therefore the mantra for 2007 is g2G:999." Furthermore, they were successfully delivering 999, "our second quarter . . . will be outstanding." The managers were evaluating themselves as successful architects and leaders of the changes, "Look at that list of actions, some of them came from my mouth, some of them came from others. So I think everybody feels they had a contribution in terms of shaping them so there's some ownership behind them . . . it's a big positive that we did that together."

As the 2007 initiatives were put in place and the 2006 initiatives such as the coffee shop and rebranded meeting rooms were completed, the managers constructed g2G even more positively. Things were "great" and "tremendous." "People are even more fired up about doing things . . . it's like oh shit, a year ago they talked about meeting rooms. And now they're there. And a coffee shop, and now it's there . . . we talked about a family day and we went. And it was tremendous."

Their narratives also constructed staff in the UK as enthusiastic participants in the g2G change program. Many people attended events organized to carry out g2G and were asking how they could support the change process: "Gerry did two sessions prior to Christmas . . . they were attended by 60, 70 people and positively received." "When we opened the coffee shop downstairs . . . We must have had 80 people there . . . a hundred people and I thought bloody hell, I was expecting about 30 of the diehards . . . then we opened the rooms downstairs, about the same."

Affect. The UK narrative evaluations remained progressive in terms of content and process. They continued to be accompanied by pleasant, strongly activated responses, particularly excitement around the success of g2G. There was a strong sense of pride and achievement in the UK narratives. People were "even more fired up." Things were "great" and "tremendous." The managers' pleasure in their success was tangible, "I've loved seeing the expressions on people's faces change so dramatically"; see Table 1 T2.

Change Actions. Much effort was put into promoting g2G:999. As the coffee shop and newly branded meeting rooms were completed, the senior managers held special opening ceremonies for them. They put together teams of people in their functions to devise activities to maintain focus on g2G and to help deliver "999." The UK VP maintained a commitment to bimonthly updates on progress against g2G. Many new initiatives were put in place, such as g2G awards.

*T*3: 2008

UK Events. The structural changes at the European level initiated by the new European president at the end

of 2007 were significant for the UK, because it was no longer a stand-alone region. Rather, the reorganization merged the UK into a bigger region. Gerry was not promoted to be the regional VP of this larger region. He announced in February that he had negotiated an exit package and had resigned from the company. He left at the end of March. He was replaced as the UK VP by someone who had held a European role throughout 2006 and 2007 and had not been associated with the UK previously. Project Europe was leading to more centralization in Eurocity, reducing UK managers' local autonomy.

UK Managers' Narrative Evaluations About the UK Changes: *"We are not valued and do not fit any longer."* The UK managers' narratives continued to construct g2G as a huge success as the change program moved into 2008. They had delivered in terms of the change content. Income was up for the first time in years and an *investors in people* survey, an external accreditation survey, reported atypically high levels of employee engagement in the UK: "That's the first time in four years our income has grown. So the numbers on top look good. I'm delighted." "In the UK we are chasing a holy grail—to grow the business, deliver the plan, be close to customers and consumers, and deliver engagement and motivation . . . . And right now, with the investors in people report we are actually delivering this!"

However, the UK managers' narratives about the UK going forward started to shift towards more personal and regressive narratives. Their narrative constructions of both the European change content and process were directly influencing their UK change narrative. The shift became particularly noticeable following the announcement that the UK was now part of a bigger region, and Gerry had not been promoted to lead it. The shift strengthened again following the announcement of Gerry's resignation, since they saw its brevity as "discrediting" Gerry and as typical of the European management style "where there is no . . . recognition of the importance of people."

The UK managers' new regressive and personal narratives constructed themselves as no longer valued by Europe, "(I) still want to do all I can to ensure the UK does the right thing . . . but at the time when we felt most proud, what we had done was not recognized, valued or appreciated." "The impression I get is that the UK has been a bit of a thorn in the side of Europe for a while . . . Hence the other Regional VP, not Gerry, getting that job." The UK managers also constructed themselves as no longer fitting, "I am no longer in line with the way the company thinks. The current lack of interest in engaging/motivating people is not part of the old company culture."

In their regressive and personal narratives, the UK managers also constructed the change content in the UK as now more driven by the actions of the European managers, who were operating out of a different type of culture from the people-focused one that had predominated

in the UK. "The company's now being run by a bunch of bureaucrats...It's all number crunchers or process-oriented people" The UK managers' were "countercultural" as "At the end of the day...our faces don't fit." The lack of value attached to people remained a theme: "I 'get it' in terms of culture change and engagement, but the company doesn't so I find it hard to engage with the organization. I have become countercultural. That's why I'm going." The UK managers continued to accuse the European managers of treating individuals as expendable, "Life has become cheap. People don't really matter...You can all go and we'll just put new people in...that's their attitude."

Affect. As the UK managers' narrative evaluations became regressive about the impact of the wider European change initiative on change in the UK, they also became increasingly unpleasant and activated. "I am angry...my boss knows I need to talk to him but hasn't even picked up the phone to speak to me about it." "Do I really want to work in an organization like that...I'll just be an implementer. That sounds shit." The comments about the European leaders were increasingly judgmental, "We'll just put new people in..."; see Table 1 T3.

Change Actions. The strong affective responses influenced a particular response—most of the remaining managers followed Gerry, negotiated exit packages, and resigned from the company, rather than stay in their increasingly downgraded UK roles or take the senior European role they were offered. They did not announce their departures until they had negotiated departure packages and agreed on a departure date. The UK HR director announced his resignation in June. The UK logistics director also resigned then. The UK sales director announced his resignation in July. A week later the UK IT director announced that he had decided to leave too. And in August another of the original UK board left. After these resignations, only three of the original UK board members remained in the company: the one who had relocated to Eurocity and two who stayed in the UK facing down-scoping of their roles.

UK Managers' Relational Context and Narratives About the UK Changes

The managers' narratives reveal the extent to which they were sensemaking *with* each other (as opposed to about the European managers), and through this constructing particular evaluations of change in the UK; see Table 1. The UK managers formed a colocated sensemaking community engaging in frequent interactions with one another. The regular use of the active voice to describe actions and the use of "we" suggest that the managers considered themselves a cohesive community with a shared agenda. Their conversations with one another and their shared activities influenced a shared construction and evaluation of the nature of the required

change in the UK. For example, in T1, "We all, pretty much, said exactly the same thing...there's still an important role to play," and "I had a chat with [another UK senior manager] this morning... (we have) agreement as a group as to how we need to operate as a company." Their leadership was important to the turnaround of the UK, since it was necessary to "maintain that understanding of the UK."

There continued to be ongoing evidence of intragroup interactions and sensemaking *within* the UK management team as opposed to sensemaking *about* the European management team through T2 and T3. The narratives continued to reveal the shared yet personal nature of the UK change process and content through the use of "I" and "we." In T2 there were references to events that they had personally suggested as part of g2G to their fellow managers at meetings ("everybody feels they had a contribution") to create a shared agenda for g2G. The sense of achievement for the UK managers was clearly related to the many positive employee reactions they encountered. Thus, the UK employees were also significant others in the UK managers' relational context. The UK managers were sensemaking *about* the UK employees, using the employees' positive responses to the g2G initiatives, such as strong attendance at g2G events, as indicators of the success of g2G. The actions of the UK employees were seen as affirmative of the UK managers' actions, just as the actions of the European managers were seen increasingly as disaffirming.

Through T3 the shift to regressive narrative evaluations continued to be influenced by the UK managers' ongoing within-group interactions and sensemaking. They referred to "when I talk to the [UK] senior managers" and "At the senior managers' meeting this morning" and reported that they collectively felt undervalued and at odds with the new organization ("our faces don't fit").

UK Managers' Interpretive Context for Narratives About the UK Changes

The UK managers' narratives show that the construction of the need for a UK specific change initiative in T1 and the evaluations of this were heavily influenced by *local UK specific frames of reference*; see Table 1. The first salient *local frame of reference* was that the UK was not performing and was demotivated (*playing not to lose rather than to win*). The second related to the *shared history of the UK as a successful subsidiary*, with good people and processes and pride in these, which influenced evaluations of change in that they gave the UK the capability and resources to rebuild itself. A third frame was their *role frame of reference* about the nature of country managers, which influenced the way the UK managers saw their role as senior managers responsible for the UK, and as those who needed to lead change in the UK ("We understand it," "it is our job to facilitate it," "we as a group take personal responsibility").

They were responsible for taking the UK forward. There was also a fourth business context frame of reference influencing the managers' constructions. This was how they saw the UK FMCG business environment. The UK market differed from other markets in Europe ("fundamental differences between consumers (and) markets"). The UK brands were also largely unique ("in all of our categories we've got very local brands"). Thus, when the managers evaluated g2G as providing a platform for success through their brands, people, and profitability, this was not just within the context of Brand Corporation but also within the *specific* context of the UK market, where frames of reference were that they much more differentiated than Europe. Success in the UK, therefore, required local knowledge and leadership.

By T2 the narratives revealed that progressive evaluations of the change initiative were now also influenced by developing *local UK frames of reference*. These were not just about success through g2G, but also had to do with "change management as people engagement" leading to an engaged, "fired up" workforce. This local frame of reference was simultaneously influencing regressive evaluations of the European change process (see section T2 above). Drawing on their frame of reference to do with change management as to do with "people" and "engagement," they were also evaluating the European managers' change process as "miss(ing) the point;" see Table 1.

The shift in T3 to regressive narrative evaluations in which the UK managers saw themselves as not valued was also, ironically, influenced by *local UK frames of reference* concerned with UK management valuing people. The managers talked about what the UK used to be like, making comparisons with the company they were now experiencing post change, "the current lack of interest in engaging/motivating people is not part of the old company culture," concluding that they were now countercultural. The local UK frame of reference concerned with change management ("I 'get it' in terms of culture change and engagement, but the company doesn't.") was also salient to these regressive evaluations. As with the European change content, the developing *role frame of reference* concerned with the European changes as devaluing the local and reducing country managers to middle managers ("I'll just be an implementer") was salient, influencing the regressive evaluations of change in the UK. The managers' narrative evaluations of the European change initiative were coming together with the narrative evaluations of change in the UK. The constructions of the European managers as bureaucrats for whom people didn't really matter reflected the nature of the new organization now being extended into the UK, contributing to regressive UK evaluations.

Discussion

Our motivation for this study started with an empirical puzzle. Why did the UK senior managers in a large MNC embark on a change initiative (g2G) that delivered great success locally, consistent with their brief to return their subsidiary to performance, then resign from the organization despite being valued enough to be offered alternative job opportunities there? In pursuing this we identified that very little research focuses on divisional level senior managers who simultaneously have change imposed on them by corporate level executives and must also lead local implementation of it. The bifurcation into change agents and recipients in most studies of organizational change, along with the implicit assumption that (virtually all) senior managers are change agents for organization-wide change implemented the same way throughout an organization, has led research to overlook those holding this dual role and its placement within a particular local context. Drawing on other studies that point to sensemaking in colocated teams as a shared process, we explored this puzzle by examining the team-based sensemaking of a group of divisional senior managers through a narrative perspective to help identity the why and how of what was occurring at that time.

We uncovered a dynamic relationship between the relational and interpretive contexts in which senior management teams are embedded, their narrative evaluations of the wider organization change and what should be done locally, the affect expressed in the evaluations, and their actions. From this exploration we inductively derived a conceptual model that addresses the previously undertheorized relationship between senior manager sensemaking and their responses to strategic change. This model has four conceptual components. These are (1) the *dual recipient/change agent role* of divisional senior management teams that leads to *multiple change narratives*, which mediate between the wider organization change and local change actions; (2) senior management team sensemaking as *a team-based process* influenced by *dynamic linkages* between both the wider organizational and the team-specific *interpretive and relational contexts*, and its narrative evaluations; (3) the development of the senior management team's sensemaking through the evolution of multiple change narratives that contain *separate yet interacting progressive and regressive evaluations of change content and process* that are significant to eventual change outcomes; (4) the *affect* in the narrative evaluations and its motivating influence on action. We discuss each of these below in terms of our findings.

Theoretical Contributions
Our findings make five important theoretical contributions to theorizing about sensemaking and change, as well as theories of change more generally.

First, we have shown that a team of senior divisional managers is likely to play both recipient and change agent roles with respect to organization-wide strategic change. Because of this dual role, such a team constructs

two sets of narratives as they attempt to make sense of their experience of change at any given time. The first set is about the wider organization change initiative of which they are recipients. The second set is about their local setting, for which they are the change agents. In other words, senior manager local change actions are based on local change narratives that are informed by, yet distinct from, the narrative meaning constructions and evaluations of the wider organization change effort. Thus, meaning constructions of the wider change program do not translate directly into local actions. Rather, the relationship between the wider organizational change and local change action is mediated by the senior management team's local change narratives.

These findings are important for theories of change. As we argue up front, existing research on change maintains a division between "change agents" and "change recipients," seeing these roles as discrete (Huy et al. 2014). It also treats "senior managers" as a unified group of prime movers (e.g., Kanter et al. 1992, Michel 2014), responsible as change agents through their sensemaking and sensegiving for redirecting the understandings of others (Corley and Gioia 2004, Gioia and Chittipeddi 1991, Gioia et al. 1994, Gioia and Thomas 1996, Labianca et al. 2000). Our findings reveal that this view of change roles and senior manager cadres is overly simplistic, ignoring the fact that in many organizations there are multiple senior teams, who are differentially affected by change, occupying differing change roles. Importantly, we also identify that this differentiation leads to dual recipient/change agent roles for some senior teams, which are significant for its sensemaking about change, and its subsequent sensegiving of change to others. When senior teams occupy dual change roles, this is accompanied by dual sensemaking roles, leading to multiple narratives.

However, the acknowledgment of dual roles is not enough on its own to account for the dynamics of change we identity here and likely to occur in other large divisionalized corporations. Our findings reinforce those of Kaplan (2008) who argues that research on strategy and change needs to stop reifying organizations as unitary actors and instead acknowledge them as a collection of interpretive communities. Implicitly, if not explicitly, much research on change treats organizations as uniform sensemaking communities, with a focus on outcomes for the "whole" organization, without attention to differences within units. Yet in the large diversified corporations of today, it is rarely the case that center-initiated change has the same impact across all units (Balogun et al. 2011, Jarzabkowksi and Balogun 2009). As we show, "senior managers" are composed of multiple interpretive communities with not just the ability but also the disposition to develop alternative narratives because of the differentiated nature of their interpretive and relational sensemaking contexts. This heterogeneity of senior management teams matters because it leads

to heterogeneity in narrative constructions and evaluations of organization change, and therefore of change responses. Sensegiving from a centrally located top management team cannot be assumed in the way it typically is, to have uniform "unfreezing" effects across dispersed senior manager interpretive communities. Because of their interpretive and relational contexts, managers do not just "embellish" (Sonenshein 2010) a central organizational narrative about change but actively construct alternatives.

These findings show that attention to what affects local responses is important for understanding the dynamics of change in large corporations and likely in other organizations, since the ramifications can have significant implications. We throw light on these dynamics by identifying that the relationship between wider organizational change and local change action is mediated by the senior management team's local change narratives, and identifying why these narratives develop.

Second, we identified dynamic linkages between the interpretive and relational contexts in which a senior management team's sensemaking is embedded. These contexts account for team-specific interpretations and evaluations of change and, therefore, team-specific responses. As we argue above, existing studies of sensemaking and change overlook the fact that sensemaking is a team-based process (Maitlis and Christianson 2014). There has been an inadequate focus on how team-specific frames of reference guide a team's interpretations of change, as well as how the team's interactions with others in their relational context influence these interpretations. There is a "shallow understanding" (Wrzesniewski et al. 2003, p. 95) of the role of others in organization members' sensemaking.

We have shown that the *relational* context influences patterns of interaction and includes whom members of a senior management team sensemake *with*, as opposed to whom they sensemake *about,* as they try to understand the implications of organizational change, particularly in terms of its relevance to the local setting. Members of a senior management team sensemake with each other but sensemake *about* the actions and behaviors of their geographically distant top level managers and physically separate subordinates. This sensemaking has significant impacts on the team's evaluations of change. The relational context is important, since sensemaking about higher level, distant senior managers' actions influences evaluations of an organization-wide change process separate from the change content, leading to potentially different evaluations of the change content and process. At the same time, sensemaking about the responses of local employees to local actions may provide affirmation.

To evaluate the actions of those they are sensemaking about and the change context, senior managers draw on the frames of reference in their *interpretive* context.

These frames can be separated in terms of those relevant to the wider organization, and those relevant to the local context of the team of managers. It is by means of frames of reference, those already existing and those evoked by change, that narrative evaluations and affective responses to change emerge. We show that frames of reference pertinent to the local setting include its shared history and performance, its business context, and the nature of managerial roles. They account for team-specific and potentially idiosyncratic evaluations of both the organization-wide change and, importantly, what needs to be done locally in response. Role frames of reference are an important component. Although senior managers may be recipients of wider change, their narrative constructions concerned with leading change locally are influenced by role frames concerned with discretion to act and their local responsibilities as managers.

Third, we have shown that a senior management team's sensemaking develops through its evolving narratives of change. As Sonenshein (2010, p. 480) noted, senior managers' narratives are "discursive construction(s) the managers are using to make and give sense about the change." Differently from Sonenshein (2010), we identify that senior management teams likely form separate interpretive communities, leading to context specific and differentiated narrative constructions of change. Significant in these narratives are evolving and separate evaluations of change process and content within the senior management team's organization-wide change narratives. This distinction is important, because these differing evaluations stem from different aspects of the context in which the managers are embedded yet also interact. Evaluations of content are driven by decisions made and implemented. Evaluations of change process are driven by patterns of interaction.

There is a growing recognition that evaluations of and responses to change can be driven by change processes as well as change content (Bartunek et al. 2011, Ford et al. 2008, Huy et al. 2014). Most recently Huy et al. (2014) focused on how recipient responses to change develop as a process over time, influenced by judgments of the legitimacy of the change agents, with reactions becoming increasingly negative as unfavorable judgments of the change agents develop. Our findings identify a similar process and extend the Huy et al. (2014) findings. First, we show how judgments by others of the top managers leading change influence the change evaluations of not just lower level change recipients but also other senior managers, whom the top managers assume will be supporting them. Second, we show how these judgments by others of the top managers may be influenced positively or negatively by frames of reference local to one part of an organization. Third, by exploring the coevolution of evaluations of change content and process, we identify how evaluations of change process can also influence evaluations of change content over

time. Others have identified this dynamic between evaluations of process and content (Bartunek and Moch 1987, Balogun and Johnson 2004), yet our findings amplify the significance of recognizing that responses to change develop as a process over time, influenced significantly by relationships with change agents through both direct evaluations of their actions and the implications these are seen to have for the change content.

Fourth, the shared progressive and regressive narrative evaluations in these sets of narratives are always accompanied by affect. Progressive and regressive narrative evaluations alone do not motivate action; it is the affect contained within them, especially its activation dimension, that has this impact (Elfenbein 2014, Frijda 1986, Huy 2002, Russell 2003). There has been neglect of the role of affective experiences in change (Bartunek et al. 2011, Cornelissen et al. 2014, Maitlis and Sonenshein 2010), but affective responses are crucial components of evaluations of change (Bartunek et al. 2006). Indeed, Lewin (1951) stressed from the beginning the important role of affect as a trigger for action, although this is a facet of early theories of change overlooked in more contemporary theories. Our findings add to those of others (Huy et al. 2014, Walsh and Bartunek 2011) to strengthen the evidence for the significance of the affect that accompanies sensemaking for action. Understanding meaning constructions is necessary but not sufficient to appreciate actions that stem from locally embellished narratives of change and their translation into behaviors that support or resist.

Fifth, and finally, our findings provide empirical support to arguments such as those by Sonenshein (2010), Ford et al. (2008) and others who call for a reconsideration of simple dichotomies, such as positive or negative meaning constructions and change responses. To this list we could add change agents versus change recipients and resistance versus acceptance. The UK managers were simultaneously change agents and change recipients. This dual role made it difficult to distinguish which aspects of their responses to change over time were resistance or acceptance. It would seem that their last act, to resign from the organization rather than accept roles within the new European organization, was an ultimate act of resistance. Yet g2G did achieve what they were tasked with: namely, a return of the UK to high performance. So although g2G was not a passive adoption of the European change narrative, was it actually an act of resistance? Was this narrative actually subversive? Ultimately, the black and white characterizations of change responses present in most theories of change, and the value-laden judgments of responses as "negative" or "resistant" because they do not appear to conform, may not be helpful. Organizational change cannot be controlled in a programmatic way and must be expected to occur through multiple and diverse narratives, which will fall at different times on a spectrum of meanings rather

than a simple division into positive and negative. It will lead to a spectrum of initiatives and responses, many of which can only be judged retrospectively as good or bad in terms of their impact on the overall change program.

Conclusions

We have established a framework that accounts for how the team-based and embedded nature of a senior management team's sensemaking within a very large MNC influences the development of its meaning constructions about and responses to change over time. We have studied one example of this and have done so within one particular type of organization. Our findings need to be extended by, for example, investigating the influences of the relational and interpretive contexts in different types of organizations, such as those that are small, located in one country only, and so forth, as well as companies in which individuals work in distributed teams. In different types of teams the relational context may be very different (O'Leary et al. 2014). Our findings should also be extended by exploring embedded sensemaking in multiple managerial teams within the same organization as well as within multiple types of teams.

Our findings can also be extended by exploring other dimensions and impacts on the interpretive context. For example, scholars have suggested that macro factors, such as institutions and cultures, influence (individual) sensemaking processes by providing the raw material of sensemaking (Sandberg and Tsoukas 2015). Exploring the macro institutional characteristics associated with particular organizational changes may add to understanding the extent and strength of shared frames of reference already present in a setting that may influence responses to change. This could extend to consideration of the extent to which frames of reference relating to national cultures, or even stereotypes of other cultures, influence sensemaking of divisional management teams, particularly in MNCs where (country-based) senior teams exist in a mix of local and more global contexts.

Implications for Practice

Some may argue that the implications of our findings on senior manager responses to change are that change management needs to be more engaging, encouraging sensemaking *with* rather than sensemaking *about*, to ensure the harnessing, use, and retention of local managerial talent. It might be that in MNCs in particular, additional care needs to be put into developing opportunities for "sensemaking with" between center and subsidiary managers, since the geographic distances make it all too easy to fall back on the options offered by technology for communication. Others taking a more managerialist perspective may argue for the right and might of the designers of change consistent with more traditional theories of resistance to change. The European

managers were not tough enough. They should have removed the resistant UK managers.

Both sides may be partially right. However, it is necessary to recognize, consistent with our narrative approach, that models of change adopting a managerialist perspective have a dominant narrative structure that is somewhat simplistic. Such narratives lead scholars and practitioners alike to underplay the differentiation of managerial roles in processes of change, to think of resistance to change as something residing in individuals rather than as a group process influenced over time by change agent/recipient interactions, to underestimate the extent to which there are different meaning paths dependent on group sensemaking, and to set up change initiatives as a battle between architects and resistant others. Our study suggests the need to question all of these assumptions and, instead, start to recognize the true complexity of the change challenges facing teams of senior managers.

Endnotes

[1] As Bartunek (1984) and Orlikowski and Gash (1994) indicate, terms such as frame of reference, schema, interpretive scheme, and frame are often used interchangeably. We are using the term frames of reference to refer to the types of schemas shared within the senior management team that guided their sensemaking.
[2] The actual number was not 999.
[3] The graph of financial performance is shaped with a small dip at the start and then a big uplift.

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