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## Managing Bottom up Strategizing

van der Steen, Martijn

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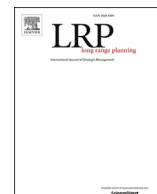
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## Long Range Planning

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# Managing Bottom up Strategizing: Collective Sensemaking of Strategic Issues in a Dutch Bank



Martijn van der Steen

This paper discusses a bottom-up approach to strategizing in two member banks of a Dutch cooperative bank. In both banks, through a collective process of sensemaking, organisational participants evaluated their day-to-day experiences in order to identify strategic issues. The potential benefits of such approach include higher commitment for strategy and a greater willingness to change. However, the sensemaking occasions in the two banks were organised quite differently. In one bank they were highly structured, whilst the other bank employed a more laissez-faire approach. These two different types of sensemaking resulted in very different outcomes. A single and widely supported strategic issue was identified in one bank. In the other bank, the identification of several conflicting issues made a variety of tacit tensions apparent and available for potential resolution. The paper thus highlights how the design and the management of sensemaking occasions can produce rather distinct outcomes which may be more or less suited to the original managerial intentions.

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## Introduction

'We prepared the process of collective strategizing so well that we knew the outcomes in advance'. The project leader of Rabobank Grafen was eager to discuss the way he and his team structured the process of collective strategizing in his bank. By contrast, the consultant hired by the Rabobank Deegen was less enthusiastic: 'I do not believe that we achieved as much as we could have; initially, there was a high level of enthusiasm, but some of this energy was lost'. These two very different outcomes arose from processes of collective strategizing, which were rather similar in formal terms. Rabobank Nederland, the supra local representative of all member banks, developed the Results Oriented Management (ROM) programme to 'professionalize the process of strategic planning in the member banks'. As a part of this programme, member banks identified strategic issues in so-called MT+ teams. These MT+ teams included managers, team leaders and employees from all levels in the organization. As such, these processes of strategizing can be referred to as bottom-up, as they involved a large amount of employee participation (Nichols, 1989). Although all participating banks used similar formal instructions to collectively identify strategic issues, the outcomes varied greatly. The Grafen bank was able to produce a strategy which was widely accepted, confirming the idea that employee participation in strategy making is desirable for its effects on motivation and willingness to change (Vilà and Canales, 2008; Berry, 2007; Liedtka, 2000). By contrast, strategy making in the Deegen bank resulted in a variety of strategic issues, rather than a single strategy, which highlighted some of the tensions and anxieties which were present in the bank. As such, this paper presents a story of two member banks who both engaged in similar programmes of bottom-up strategy making with very different outcomes.

The managers in Rabobank Grafen influenced the design of the collective strategy making sessions to such extent that the outcomes became predictable. The group processes were designed to allow employees and managers to align the proposed strategic issues with their day-to-day personal experiences. As a result, this bank was able to combine the motivational benefits of a bottom-up approach to strategy making with the structure and speed which is more associated with a top-down approach. The managers in the Rabobank Deegen also applied a bottom-up approach to strategy making. They felt that the participants in the MT+ group needed to be allowed to come up with and explore all strategic options in order to reap the motivational benefits of a bottom-up strategy making approach. Therefore, they employed a "hands off" approach, which meant that they did not extensively prepare the meetings and allowed them to take unexpected directions. This approach resulted indeed in a series of unexpected outcomes and ambiguities in the strategy, making tacit tensions and anxieties visible and open for discussion. This paper discusses the events at the two banks and confronts the highly structured and the laissez-faire ways of enacting bottom-up strategizing.

The next section will provide a brief overview of the theoretical concepts which help to structure the discussion of the events in the Rabobank. The third section will offer a brief review of the research method used. Then, we will present an extensive overview of the events at the Rabobank and a discussion on the outcomes of these events. This overview provides insights in the motivations and actions which were present in both branches. These events illustrate the difficulties and best practices which are associated with a bottom up approach to strategizing. Finally, the paper will end with a brief discussion and conclusion.

### Creating strategic issues

Traditionally, it was assumed that strategic issues presented themselves to managers, or they were the result of rationalistic optimisation between alternatives (see [Mintzberg, 1994](#)). However, issues defined by senior managers in a traditional process of strategic planning generally lead to low commitment and an incomplete understanding of ensuing strategy. As Vilà & Canales note: 'merely communicating strategy has serious limitations in aligning people with expected behaviour' (2008, p. 276). Trade publications and other practitioner-oriented literature have argued that employee participation in strategy making can lead to higher commitment and more willingness to change ([Kirkpatrick, 2004](#); [Hickey and Casner-Lotto, 1998](#); [Nichols, 1989](#)). In this sense, strategic issues are collectively created, rather than discovered ([Dutton and Jackson, 1987](#)). Issues are 'events, developments, and trends that an organization's members collectively recognize as having some consequence to the organization' ([Dutton and Dukerich, 1991](#)). Strategic issues are then identified and formulated by organisational participants, who selectively attend to particular aspects of their environment, while ignoring others ([Thomas et al., 1994](#)). Issues can galvanise interest and direct attention, as these issues become focal points for the organisation. These issues are thus defined by their relevance to a large part of the organisation ([Dutton and Dukerich, 1991](#)). Vilà & Canales argue that 'the notion of achieving common ground suggests that successful business strategies result, not from rigorous analysis, but from a shared understanding and a particular state of mind' (2008, p. 276). Since issues are initially ill structured and require an interpretation effort, the process by which they come into being is typified by ambiguity and attempts of organisational participants to make sense of this ambiguity ([Thomas and McDaniel, 1990](#)). In this vein, the process of strategy making may be better conceptualised as a formalised process of organisational sensemaking, in which organisational participants attempt to create strategic issues.

### Organisational sensemaking

Sensemaking entails the placing of stimuli into some kind of framework to obtain an understanding of an event or issue. It is the ongoing retrospective development of plausible images that rationalise behaviours ([Weick et al., 2005](#)). As Taylor & Van Every note: 'sensemaking is a way station on the road to a consensually constructed, coordinated system of action' (2000, p. 275). Sensemaking entails three key processes: scanning, interpreting and responding ([Milliken, 1990](#); [Daft and Weick, 1984](#)). These processes include the reciprocal interaction of information seeking, meaning ascription and action ([Thomas et al., 1993](#)). Sensemaking can never be accomplished without a basic level of shared knowledge. As Schott notes: 'we precondition or perform the interpretation of sensory information through expectations, emotional states, level of stress, belief systems, or sexual mores. Contrary to John Locke, we are not a tabula rasa' (1991, p. 59). As such, sensemaking is dependent on knowledge that remains unchallenged.

The process of sensemaking is often accompanied by the process of "sensegiving", which can be defined as 'the process of attempting to influence the sensemaking and meaning construction of others toward a preferred redefinition of organisational reality' ([Gioia and Chittipeddi, 1991](#)). Evidently, senior management is often involved in sensegiving attempts, but others will also frequently attempt to influence the construction of meaning in organisations ([Maitlis and Lawrence, 2007](#); [Balogun and Johnson, 2004](#); [Smircich and Morgan, 1982](#)). Four different types of organisational sensemaking can be distinguished, each depending on the nature of sensegiving ([Maitlis, 2005](#)).

The first form of sensemaking is 'guided organisational sensemaking'. It is characterised by a high degree of animation of all participants and a high degree of control by management. It is typified by a high level of involvement by managers and employees. The outcome of this form of sensemaking is likely to be a unitary, rich account of an issue. In addition, it is likely to lead to a series of consistent actions. The second form of organisational sensemaking is referred to as 'restricted organisational sensemaking'. It involves a situation in which leaders attempt to influence the sensemaking efforts in the social group, but the group does not actively participate in sensemaking efforts. This process results in a unitary, narrow account of the issue and a one-time action or a planned series of actions. The third form of sensemaking is called 'fragmented organisational sensemaking'. This form of sensemaking is typified by highly animated discussions between employees, but a low degree of control by managers. The outcome of this form of sensemaking are multiple, nominal accounts which are not necessarily consistent. Finally, the fourth form of sensemaking is characterised by both low animation and low control by managers. The outcome is a nominal account of the issue and one-time compromise actions. This form of sensemaking is referred to as 'minimal organisational sensemaking'.

Making sense (including sensegiving) is at the heart of collective strategizing. The participants attempt to attribute meaning to different events and discover the underlying strategic issues. These issues are collectively recognised to be of interest to the organisation and form the basis for subsequent action. Through sensegiving, managers attempt to influence this process of meaning ascription and thus affect the resulting strategic issues; not as a result of top-down instructions, but rather through influencing the collective process of sensemaking.

Sensemaking is usually invoked by situational information that points to 'something out of the ordinary'. In cognitive psychology, this information is referred to as 'cues' ([Lant and Hewlin, 2002](#); [Nooteboom, 2000](#); [Gioia and Sims, 1986](#); [Lord and Foti, 1986](#); [Gioia and Poole, 1984](#); [Schank and Abelson, 1977](#)).

## Cues

Weick describes 'extracted cues' as 'simple, familiar structures that are seeds from which people develop a larger sense of what may be occurring'.<sup>1</sup> 'Extracted cues' consist of two types of information: firstly, they hold information on which events warrant closer attention. And secondly, they hold information that helps people to make sense of what the event means. Thus, cues generate attention and they provide direction; [Starbuck and Milliken \(1988\)](#) distinguish between noticing and sense-making; [Daft and Weick \(1984\)](#) use the terms scanning and interpretation. Being part of the same process, noticing and sensemaking are inseparable. 'Noticing involves a rudimentary form of sensemaking in that noticing requires distinguishing signal from noise, making crude separations of relevant from irrelevant. Similarly, sensemaking involves a form of noticing when a perceiver reclassifies remembered signal as noise, or remembered noise as signal, in order to fit a new interpretative framework' ([Starbuck and Milliken, 1988](#), p. 45). Cues are thus closely associated to 'noticing'. Cues invoke sensemaking, which entails a closer examination of the events which led to the emergence of the cues. As such, although cues and sensemaking are related, they are different.

Cues can arise from differences between past performance and aspiration levels ([Lant and Hewlin, 2002](#)). In a world with an infinite number of signals, only those that are significantly different from aspiration or expectation will get noticed. People view these signals as 'problems': 'Problems are generally defined as discrepancies (or differences) between perceived reality and a desired state of nature. A problem comes to exist because of the recognition of this difference' ([Cowan, 1985](#)).

Cues that cannot be placed in any meaningful explanatory framework produce uncertainty and tension if they are sufficiently salient ([Gioia, 1992](#); [Fiske and Taylor, 1984](#)). A disruptive crisis in an organisation functions as a single, very salient cue, and is able to generate considerable ontological insecurity ([Busco et al., 2006](#); [Burns et al., 2003](#); [Burns and Scapens, 2000](#)). However, multiple smaller cues may also contribute to the recognition of an issue. In this case, individuals first need to explore the meaning and the cause of these cues, before acting upon them.<sup>2</sup> Providing meaning to these cues is a game of "connecting the dots", by which managers assemble rumours and other tidbits of information to construct their 'in progress frames of reference' ([Isabella, 1990](#); see also [Isenberg, 1986](#)). In the context of strategy making, cues are the inputs for sensemaking and strategic issues are its outcomes.

During its inception, an issue can often change, to accommodate new cues that become available ([Dutton and Dukerich, 1991](#)). In particular, when a cue does not fit with an emerging issue, the social group can adjust the issue to produce an understanding of the cue. This process of sensemaking continues under the influence of additional cues that reach the sensemakers. New cues are evaluated against the tentative issue and they are given meaning by adapting the issue to include explanations for these cues. As [Shook, Payne & Voges](#) note: 'once issues are labelled, managers process new information and interact with other team members consistent with their pre-established label assumptions. In other words, issues serve as the foundation of group interaction' ([2005](#)). However, once the issue is sufficiently salient, as it accommodates a large proportion of cues, new cues can possibly be ignored, as the social group has accepted the issue as relevant. Agreement is reached about the content of the issue. As a consequence, an issue can obtain a more or less objective state and it is unlikely that its relevance will be questioned or that it will be renegotiated. The issue has become established as an objectified topic of interest for the participants in the group.

## A theoretical interpretation of bottom up strategizing

[Figure 1](#) shows the process of collectively defining strategic issues. The left hand side of the figure shows the process of sensegiving, which involves attempts by managers and consultants to influence organisational sensemaking so they yield desirable outcomes. This process of sensegiving may involve the introduction of cues, which point to the sensegiver's preferred strategic issue. However, in a bottom up process, many other participants, who have less-pre-conceived ideas about strategic issues, engage in a process of sensemaking. This process is depicted by the dotted oval on the right hand side of the figure. The participants are likely to use the cues that are provided to them, in combination with other cues which come up during the meetings, such as experiences which may confirm or contradict the notions introduced by the sensegivers.

The arrows in [Figure 1](#) point left and right, indicating that sensemaking and sensegiving are iterative processes. Cues that cannot be 'understood' cause ontological insecurity. Therefore, sensemakers attempt to discover what these cues mean to them. They do so by defining an issue, which constitutes a shared understanding of the underlying cause and meaning of the cues. But, the issue is not static. It gets adapted to accommodate newly emerging cues in the course of the collective interpretation effort. Once the issue has been tentatively defined, it plays an important role in further sensemaking efforts. New cues are evaluated in relation with the existing issue, which can then be adapted to include an understanding of these new cues. This process of 'learning' leads to causal connections between the cues and the issue. As noted earlier, once the issue is confirmed by various cues, it obtains a more-or-less factual status. A clear difference between the various cues and the strategic issue is that cues point to something out of the ordinary, but there may be no consensus about their origin. Cues are frequently ambiguous and invoke sensemaking efforts in attempts to understand their source. By contrast, the strategic issue is the outcome of sensemaking, which establishes the issue as a 'workable certainty' ([Lüscher and Lewis, 2008](#)), which means

<sup>1</sup> 'Extracted' cues refer to those signals that people pick up on, out of the constant stream of many signals. Other authors such as [Chewning and Harrell \(1990\)](#) and [Gioia \(1992\)](#) refer simply to 'cues'. These notions of cues are used in a similar sense to the one coined by [Weick \(1995\)](#).

<sup>2</sup> When a crisis is involved, this is not necessary, as the relation between the cue and its source is often very clear.

## Strategic issue definition in strategic planning process

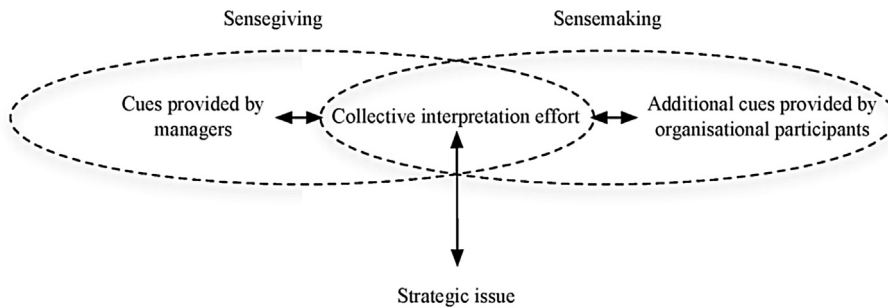


Figure 1. The emergence of an issue

that the strategic issue is broadly recognised and accepted as key to resolving the daily problems constituted by the cues. At this stage of 'objectivation', new cues that resemble those that already have meaning in relation to the issue are attributed to the issue, without going through a similar process of sensemaking. Sensemaking has been replaced by a subconscious causal attribution of cues to the issue through cognitive rules and routines (Palmer and Dunford, 2002; Bartunek, 1984).

This paper discusses a case study in two member banks of the Dutch Cooperative Rabobank. We witnessed a highly structured sensemaking process in the Grafen bank, leading to the creation of a single strategic issue. By contrast, the fairly unstructured process of sensemaking in the Deegen bank did not result in a single strategic issue, but rather highlighted the tacit tensions and anxieties which were present. The study thus entails two extreme cases, which are helpful to illustrate how the different managerial approaches to bottom-up strategizing affect the outcomes. We confront these extreme cases to illustrate that different ways of managing processes of sensemaking result in rather different outcomes in terms of strategic issues. As such, managers are able to influence the outcomes of collective strategizing by altering the design of the sensemaking opportunities.

## Methodology

The study encompassed 40 interviews and attendance at 15 strategy sessions of the Rabobank Grafen and Rabobank Deegen.<sup>3</sup> The interviews were conducted with the General Directors, the project leaders and various managers and employees. Managers at various hierarchical levels as well as employees of various departments were interviewed. The study was longitudinal; the entire process of strategic planning was followed from its inception, for a period of three years at the Grafen bank and for a period of one and a half year at the Deegen bank. The total period of data gathering ranged from May 2002 to January 2006, encompassing several programme cycles (a programme cycle is the period that a bank performs the entire programme once, this programme cycle is 7 to 9 months, depending on the planning of a member bank). All phases in these programme cycles were observed, because of the excellent access secured to these case sites.

Full access was secured to both banks, including access to the relevant computer systems and all documentation regarding ROM. Moreover, the ROM project leaders kept the researcher informed of additional developments during the years of the empirical study. In addition, apart from the interviews and formal and informal meetings, another twenty days were spent at one of the member banks reviewing all the available information, as well as observing the dynamics of employee interaction. The formal and informal contacts, documentation such as e-mail and minutes of meetings, the extensive observations, and other sources of information all served to triangulate the findings.

## The Rabobank and Results Oriented Management

The Rabobank is the largest cooperative bank in the Netherlands. In 2009, the Rabobank Group employed over 59,000 people. Its balance sheet total exceeded 607 Billion Euros, which contributed to a net profit of 2.2 Billion Euros. One of the most remarkable features of the Rabobank is its cooperative structure. At the end of 2009, 147 autonomous local member banks shared ownership of the Rabobank Group. The Rabobank does not have publicly traded stock and it does not distribute dividends. Rather, it generates 'cooperative dividend' which is reinvested in the local community. The member banks have delegated various functions to their supra-local organisation, Rabobank Nederland, including supervisory tasks to satisfy national regulators, IT services and business support services. One of these support services was the development of a programme for all member banks entitled 'Results Oriented Management' (ROM). ROM consisted of a series of activities, meetings and conferences which needed to result in the production of strategic and annual plans. An important element of ROM was that it drew on the input of lower-level staff. The activities generally took place in an MT+ group. An MT+ group consisted of the management team of a member bank and various middle-level and lower-level employees of each

<sup>3</sup> Both member banks were anonymised as Rabobank Grafen and Rabobank Deegen.

department. This MT+ group collectively performed the various tasks required by the ROM programme. These tasks were undertaken in several full-day sessions. The resulting strategic plan and the various other plans qualified as the formal deliverables of the programme.

One of the stages of the ROM programme was the definition of strategic issues. This stage involved the participants of the MT+ group to define topics and events which were of interest to the organisation. These strategic issues would form the basis for actions in the years to come. In the next sections, we will analyse the events leading up to the definition of strategic issues by the MT+ groups in the Grafen and the Deegen banks.

### Strategy making in Rabobank Grafen

The MT+ group in the Grafen bank consisted of about 15 people. The internal project leader, who had a background in human resources, had invited them to participate. The supervising consultant was hired from an external agency with much experience in ROM implementations at member banks.

The early MT+ meetings were lacklustre as most participants were unsure about the purpose and their role in the meetings. Although they appreciated the idea that they were selected for the programme, they were unfamiliar with an MT+ setting. However, during the early phase of the MT+ meetings, the General Director introduced a tentative strategic issue, which he saw as the root of many of the problems in the bank.

#### *The introduction of a tentative strategic issue*

Before the start of the ROM programme, the General Director of the Grafen bank argued that his bank lacked a sense of commitment:

That is my problem. This bank excels in what I call 'unity through lack of commitment'.<sup>4</sup> I want us to be accountable, to take risks and to take responsibility for our actions. I call this being entrepreneurial.

These observations were not new; these characteristics of the bank had persisted for many years. However, the ROM programme allowed the General Director to emphasise his standpoint on the need to be more entrepreneurial. He and his managers had a platform in which they could demonstrate that various events, problems and experiences were related to a need to be more entrepreneurial. Once the General Director and the managers agreed that the bank needed to be more entrepreneurial, they meticulously planned the ROM programme to introduce cues which would contribute to sensemaking in the MT+ group in order to establish the legitimacy and credibility of the issue of entrepreneurship. Early in the programme, the need to be entrepreneurial was introduced as a potential strategic issue, by the project organizers who acted as sensegivers. In addition, these sensegivers had also created several cues which were associated to this potential strategic issue. The sensegivers were prepared to argue why the strategic issue of entrepreneurship offered a compelling explanation for the existence of these cues. In doing so, they allowed the MT+ group to examine the cues and possibly arrive at a similar strategic issue as they had.

#### *Cues provided by the project organisers*

The project leader wanted the participants in the MT+ group to see what effect their day-to-day behaviour had on the bank's stakeholders, in particular its members and its Board of members. Therefore, on the first evening of the project, a member panel was held. This member panel involved the presence of a number of key customers and private members of the bank, who were interviewed by the consultant. These customers included the former owner of a lease company, the owner of a car dealership, an entrepreneur in theatre and music entertainment, a public notary and the owner of three garden centres. The interviews occurred in a setting where 8 of these customers were seated at a table. The consultant was located outside the circle and 15 chairs were positioned around this setting allowing the MT+ members to observe. Only later in the evening, they were able to ask questions to the 8 discussants. In this session, the customers expressed some concerns about the bank. In particular, they felt the bank was slow to act, too much rooted in internal procedures and rules, and unable to anticipate the needs of entrepreneurs and private customers. Many of the topics introduced by the key customers were informed by their own professional experiences and experiences with competitors of the Rabobank. For example, the notary argued:

My job allows me to have frequent contact with all banks in the region, so I am in a position to compare all of them; on some aspects you do not stack up very well.

The former owner of a lease company noted:

I believe you are too passive. It would be logical that we sit down together to see what my needs are. I do the same with my customers, so why can't you?

<sup>4</sup> In Dutch, these notions form a rhyme: 'eenheid in vrijblijvendheid'; Smircich and Morgan (1982) discussed leadership by generating changes in frames of reference: 'leadership lies in large part in generating a point of reference, against which a feeling of organisation and direction can emerge'. See also Weick (1995) and Euske and Riccaboni (1999).



Through these remarks, the members provided a set of signals about the functioning of the bank, which were used as input in subsequent discussions about its quality and image.

On the second day, the internal project leader presented several poster boards. During the preparation stage, he had interviewed most Board members, managers and some MT+ members. He had asked them: 'what is it that you want this bank to be?' and then placed the most surprising remarks on the poster boards, which he hung throughout the rooms where the MT+ discussions took place. These poster boards included expectations for the future such as: 'increased sense of self-confidence', 'profitable customer portfolio', 'being distinguishable in the market' and 'customers speak about the bank with enthusiasm', but also various concerns. These concerns included: 'too much emphasis on individual performance evaluations' and 'insufficient embedding of common goals of the bank'.

Thirdly, during this second day, the consultant showed a videotape about a Spanish railway company, which had just gone through a massive reorganisation into a very efficient and high-tech back-office, thus freeing the resources for a customer-oriented front-office. The tape specifically discussed how the organisation could be more customer-friendly through the computerisation and standardisation of its administrative procedures. The consultant then asked the participants to describe their ideas about the way the railway organisation re-organised. This led to several key themes, such as 'right attention for right customer' and 'from recurrent tasks to personalised service'. [Appendix 1](#) provides a full list of these themes.

The participants in the MT+ group subsequently drew parallels and identified differences between the railway company and their bank. As such, the showing of the video was a cue that generated multiple points of interest for the participants. These points of interest were formalised in the aforementioned themes.

On the third day, the external consultant gave a lecture, explaining the notion of customer segmentation. In essence, he discussed how a service organisation, such as a bank could differentiate between groups of customers and deploy different service levels according to the expected financial return of each group. He presented three alternative strategies: operational excellence, which focused on the management of predictable, critical processes; customer intimacy, which emphasised the value that a customer attributes to a service, and a hybrid form, which had features of the other two strategies. The MT+ group was then divided into three sub-groups, who went on to discuss the advantages of each strategy for their bank. [Appendix 1](#) lists the keywords and sentences that were collected in the events that were discussed here. These reflected the concerns of a variety of stakeholders, such as members, customers, employees and managers. However, the concerns were extremely diverse, and, by most members of the MT+ group, they were regarded as isolated concerns without a common origin. As one employee of the Corporate Clients department noted:

The meaning of all these notions is not clear. Before we proceed, we just have to define clearer what it all means.

At that stage of strategizing, many events, ideas and experiences had been exchanged which were equivocal by nature. As such, a need arose to explain these events. Therefore, the group engaged in a process of meaning ascription for the events and their outcomes. In the Grafen bank, this process of sensemaking took place in three consecutive phases: (1) The sensegivers outlined how the presence of the previously discussed cues was explained by the issue of entrepreneurship; (2) the participants discussed personal experiences (thus introducing additional cues) both supporting and challenging this issue. As a result, (3) the issue was refined and ultimately confirmed; the issue was accepted as important to the bank and needing a solution. These phases will be discussed next.

#### *Sensegiving to establish the legitimacy of the issue of entrepreneurship*

During the early days of ROM, three participants actively attempted to influence the sense given to the cues that were described above. Firstly, the General Director actively associated the cues with the issue of entrepreneurship. This did not just involve the cues that were introduced by himself, the project leader and the consultant, but also other cues that emerged in the course of the ROM programme. For example, he took various notions on the established ambitions of the bank (reliable, open, committed, responsible, respectful) that came up in the discussions and related them to the notion of entrepreneurship. He argued in the MT+ group:

Look, we want to be a learning organisation. That means that we do not bite each other's head off when we make mistakes. You need to be respectful towards each other and allow open communication. But most of all, we need to take responsibility for our course of action. I call this being entrepreneurial.

The General Director actively influenced the generation of an issue that was of interest to the bank. He did so on several occasions by forging connections between various cues and the issue of entrepreneurship that he proposed.

Secondly, the external consultant attempted to stimulate sensemaking in the MT+ group through (1) the use of the techniques of his trade, such as brief presentations and interventions; and (2) through the introduction of events, which served as well thought out cues. The consultant frequently used poster boards, whiteboards, videos and overhead slides to structure and influence the sensemaking efforts. He also attempted to create an environment, which facilitated sensemaking. The second day of ROM was started with the U2 song: "It's a beautiful day". As the consultant explained:

I do this to attempt to create an ambiance that is positive and geared towards the generation of new ideas.

Thirdly, the internal project leader kept to the background during the various ROM meetings, but he had carefully orchestrated many aspects of these meetings. For instance, he had made sure that the consultant was aware of the

objectives of the meetings: to come to a shared understanding of the future needs of the bank, i.e. an issue. The project leader explained:

In the preparations for the meetings, the external consultant did just that: consult. He had a wide range of instruments he can use in processes such as ROM, and I decide per phase what we want to use.

He had realised that the early meetings were crucial occasions for sensemaking about the issues that were of interest to the bank. Through the meticulous preparation of the sessions, the internal project leader knew in advance which cues they would introduce as sensegivers.

*Sensemaking to confirm, deny and refine the tentative issue of entrepreneurship*

Although the notion of entrepreneurship was introduced early on by the individuals acting as sensegivers, the majority of the participants of the MT+ group were not immediately convinced that their day-to-day problems and experiences were evidence of a need to be entrepreneurial. To the Account Manager, the Client Advisor, or the Investment Analyst, the idea of entrepreneurship was initially meaningless. They were all unsure what this had to do with their position and work, as voiced by a financial advisor in an interview:

In the MT+, the idea of entrepreneurship emerged, but there is no consensus what it actually means to us. And as we tend to take for granted what it means, it clouds the subsequent discussions.

As a result, various participants presented some of their own experiences to the MT+ group in relation to the notion of entrepreneurship and then observed the reactions of the group. For instance, a Financial Advisor noted:

I have a customer, a good customer I have known for many years, who wanted to open an extra checking account. So, I filled out the paperwork and handed it to the administration office. Then they told me that I could not open such an account for him, without a copy of his passport. I mean, I know him well, I try to be swift in the things he wants, but then I cannot? And I have to be more entrepreneurial?

The General Director replied:

I fully agree. We need to be accountable and entrepreneurial at the same time. This means that we need to balance the requirements of the situation, when there is a tension between the management of risks and the speed of service.

Another instance involved a Financial Advisor who noted during the second day:

'I sometimes get the following comment: "you are holding up an umbrella, but when it starts to rain, you fold it in". If we need to be more entrepreneurial, does that mean that we cannot support clients when they have temporary financial problems? I mean, shouldn't that remain part of our cooperative roots?

An employee of the Corporate Clients department replied:

Entrepreneurship is a broad concept. To me, it is about being dynamic and pro-active, and it is not as restrictive as you see it. So I do not see how this changes our relationship with potentially defaulting customers.

These discussions involving day-to-day experiences of the participants in relation to entrepreneurship located the latter notion in the daily practice of the participants. These discussions continued, confirming and challenging the meaning of entrepreneurship to the working practices of the participants. Entrepreneurship was increasingly accepted as an important issue to the bank, although it required much discussion about its meaning. It took people several days to run out of examples of practices that challenged the idea of entrepreneurship as an important issue to the bank. By then, the majority of participants knew what the issue represented. They had forged cognitive ties between their work experiences and the notion of entrepreneurship. As a consequence, the iterative process of connecting the issue to the various cues (both the cues which had been provided by the sensegivers and those which came up in the discussions) ended.

*The issue of entrepreneurship was finally established*

Entrepreneurship was now more understood in terms of personal experiences. It is important to note that this does not mean that everyone understood the issue of entrepreneurship in identical terms. The meaning of entrepreneurship was derived from many different personal experiences. However, similar understanding was no requisite for the MT+ group to function in later stages. For, the act of sensemaking made these meanings compatible, as incompatibilities were weeded out in adaptations resulting from earlier discussions.

At that stage, attempts to renegotiate the issue were not accepted by the group, as this was referred to as 'water under the bridge' (response by Financial Advisor, when a member of the MT+ group questioned the meaning of entrepreneurship after three weeks). As the issue was established, it served as a cognitive constraint, determining which topics were to be included in later stages of strategic planning, and which were not. The evaluation questionnaire of the first three days of ROM, issued by the internal project leader, revealed these enabling and constraining features of the issue of entrepreneurship. These evaluations included comments such as: 'we delivered a piece of paper, but the important thing is the process that led to it' and



'entrepreneurship is potentially a hollow term, if it weren't for the discussions that are an intrinsic part of the notion'. The establishment of the issue defined the essence of the activities the MT+ group undertook and shaped the topics that were to be addressed. These topics subsequently informed the new vision, mission and strategy of the bank, which are beyond the scope of this paper.

Throughout the subsequent process of strategic planning at the Grafen bank, the need to become more entrepreneurial remained a central strategic issue. However, a bottom up process of strategy making may not always produce a single shared strategic issue. In the Rabobank Deegen, the formally similar process was managed very differently. This process resulted in an increased salience of a variety of tensions which had been present in the organisation for some time. These tensions became apparent through various conflicting strategic issues, which were allowed to surface through a laissez-faire style of managing the sensemaking process. The events in the Deegen bank thus constitute an illustration of how collective strategizing may serve to make tensions salient and potentially resolvable.

### Strategy making in the Rabobank Deegen

The Deegen bank is located in a rural part of the Netherlands. For banking purposes, this is a difficult location, as there is little business activity, except for agriculture and some tourism. The area is thinly populated, so it provides few opportunities for expansion. The Deegen bank was the product of a merger of four member banks, each of which was very small in its own right. The management team consisted of the former General Directors of the four banks and a General Director.

The General Director was relatively new to this bank. His primary responsibility was to elicit cooperation and a sense of team spirit between the members of the current management team. When the programme was presented to member banks, he was particularly keen on the its potential for the building of team spirit. It represented an opportunity for the management team to engage in a collective activity.

Similar to the Grafen bank, an MT+ group was formed and a consultant was hired. This consultant had supervised a programme in the Deegen bank a year earlier, which was attended only by the managers. This year, a programme formally similar to the Grafen bank was undertaken by the Deegen bank. The meetings of the MT+ group were held in a conference centre in the area, and the initial four meetings were spread out over several months.

#### *Cues provided by the project organisers*

At the start of the first session, there was a brief introduction by the consultant who explained the objectives of the programme to the MT+ members. Two events were prepared by the consultant and project leader, which served as the onset for the generation of cues for a strategic issue. Firstly, the consultant assigned several discrete tasks to participants. On various occasions, he asked them to divide into groups and discuss a mission for their bank, list concerns they experienced on a day-to-day basis, perform a strength-weakness-opportunities-threats analysis (see [Table I](#) in [Appendix 2](#) for this SWOT analysis) and to extract common themes from these concerns. These sessions (a total of 7 meetings, ranging from 2 hours to 6 hours each) resulted in a range of themes, listed in [Appendix 2, Table II](#).

Secondly, the consultant organised sessions in the departments where all employees could participate in defining what they saw as areas of interest to the bank. Contrary to the practice in the Grafen bank, the managers and the consultant in the Deegen bank wanted to involve as many people as possible. Hence, in the first month of the programme, they held departmental meetings for all staff in addition to the smaller MT+ meetings. The tasks and departmental meetings generated a variety of cues. These cues were occurrences or events which were of particular interest to the participants and could be seen as hints for potential strategic issues. From all meetings, 3 sets of cues stood out. In contrast to the Grafen bank, the sensegivers (General Director, consultant and managers) were in some disagreement about the nature of the strategic issue that these cues represented.

#### *Set of cues 1: financial performance*

The financial performance of the Deegen bank was rather poor. This performance was therefore a recurrent theme in the discussions in the MT+ group. Financial performance was not a strategic issue in itself, it was a cue that pointed to an underlying strategic issue. To the General Director, improved financial performance was an outcome of successful collaboration in the bank. He noted:

For this bank, we need a new policy, which is supported by all managers, as we currently do not have something like this. In time, this shared policy will lead to improved results.

In subsequent discussions about yearly reports, he was not bothered by the absence of precise estimations of future financial performance. He argued: 'when we make plans for other issues, such as customer and employee satisfaction, the financial part will follow'. The General Director felt that financial performance was a consequence of customer and employee satisfaction.

The consultant opposed this view. During one of the MT+ meetings, he argued:

We cannot leave those numbers empty; we need estimates of performance, to convey a signal. The bank needs to save money, that is a goal in itself. A reduction in headcount needs to be discussed, here and now, as a concrete target to achieve.

The General Director said: 'Agreed, we then define a target for cost-reductions.' To which the consultant replied:

No, call it personnel reduction; create that clarity. We all have the courage to make statements for the long run, but as soon as it needs to become more concrete, everything becomes clouded and formulated in very general terms. I also plea for the concretisation of time lines, since we change the due dates too easily.

The consultant emphasised that the poor financial situation was attributable to a lack of personal accountability of managers and employees. He argued that people were swift to make agreements and set general targets, but no one would be held accountable if targets were not met. To the consultant, this was the real issue underlying the poor financial results.

The manager of the Financial Advice department did not agree with the need for a strict commitment and timeline for personnel reductions. He contributed to the discussion by noting:

I do not necessarily agree. Next year, various projects will be implemented that will yield evaluations of the organisation and improved quality. Let's discuss then whether we need a personnel reduction; I mean, we get too many projects which want too many different things from us every time.

A second manager noted:

I know that we agreed last year to look into reductions of headcount, but I think that people keep still and wait for it to blow over, we cannot ignore the impact to our people and the stress it causes every time Rabobank Nederland comes up with something new.

The consultant re-iterated his earlier point:

Yes, but when I try to increase the pressure, we have many reasons which legitimise why things are the way they are. And our employees do this in a similar fashion. But then, things will never change.

The managers acknowledged the poor financial performance of the bank, but they did not feel that it needed to be resolved as urgently as suggested by the consultant. Rather, to the managers, the discussions about the financial results represented the issue that the supra-local Rabobank Nederland and the regional offices wrongfully attempted to interfere in the local affairs of autonomous local banks.

None of the sensegivers challenged that the financial performance was poor. Rather, they disagreed about the underlying issue that this performance represented. The discussions about a second set of cues did not resolve this. Rather, the three groups of sensegivers continued to disagree about the underlying strategic issue.

#### *Set of cues 2: limited accountability and involvement*

The early meetings in the ROM programme discussed notions of a pro-active attitude, initiative and responsibility. One of the conclusions was that employees felt restricted by the limited involvement of their colleagues. For example, one participant noted:

I have a colleague, and when I ask him to do this-or-that, I always have to ask for it multiple times. That is so tiresome, that I'd rather do it myself.

Many of the participants in the MT+ group exchanged stories which outlined the difficulties they had in getting colleagues to become involved in particular tasks or projects. Their experiences served as cues that were related to a need for a more cooperative and pro-active attitude, and these findings were introduced in the 'weaknesses' category of the SWOT analysis of the bank. Subsequently however, there was disagreement about the source of this limited involvement between the General Director, the managers and the consultant. In other words, all participants agreed about the validity of the cues, but they did not agree about the strategic issue they were associated with.

The General Director felt that these day-to-day problems were due to an absence of a collective policy and a culture of cooperation. On several occasions he pointed this out. For example, he argued:

We need to provide permanent information so that people can feel more involved with what we attempt to do here. We need an attitude that is more open and outgoing.

Similarly, in the evaluation of the ROM programme he noted:

This is our problem. What we do and say, as managers, comes across very differently to those who are not involved in the decision making process. People experience things differently to what we anticipate. We need coherent policies to allow us to communicate our intentions more clearly. That will result in a stronger employee involvement as they all work towards the same objectives.

The General Director made various pleas for a stronger collective policy and communication of managers and employees. To him, the widely recognised lack of involvement arose from a need for collective policy making which could be the onset to improved cooperation and a more pro-active attitude towards each other.

Yet, although the consultant supported the recognition of the lack of involvement, he felt that this actually stressed the importance of more accountability. After his initial meetings with the managers and the General Director, he noted in a subsequent interview:

People find it very difficult to make things concrete and to be accountable for them. [...] People sometimes make choices and then go back on them. This also holds for this bank to some degree.

During the first MT+ group meeting, he noted:

You can wait until someone does something for you. If you want to achieve something, you must follow through on it. I really have a feeling that we postpone important decisions. The point is: we need to make decisions, and we need to act on them, you know, be committed.

The differences of opinion between the General Director and the consultant of why employees needed to demonstrate their involvement with the bank are illustrated by the following discussion, during one of the early MT+ meetings. The consultant observed that very few agreements were made on how to control the outcomes of the plans that were being produced. He noted:

This is one of the core issues: we made a lot of plans, but we have no idea how to control for deviations on those plans. That is also behaviour and commitment: “what went wrong, and how can we improve”.

The General Director responded:

But that is a delicate point. It is really difficult to confront each other with behaviour and agreements. It may not be in our nature.

The consultant argued that a limited commitment to objectives was at the root of the problem. In his view, the limited involvement of managers and employees was caused by the accepted practice that people could withdraw easily from existing plans and objectives. The manager of the department Business Management responded: ‘we should not say this to our people, as they work really hard on achieving their targets’. The consultant did not agree and noted: ‘It is about output. You have to make it open for discussion’. The consultant acknowledged the day-to-day problems which were discussed, but he attributed these problems to a lack of individual commitment, which he actively promoted as an issue needing resolving.

The various managers also agreed that employee involvement was low. However, they believed that this low involvement was a symptom of the limited autonomy of the departments and the member bank as a whole. The manager of the Financial Advice department explains:

I've got a sneaking feeling that policy and strategy is already determined, and that we get to make retrospective comments. We need to have some say in local policies. But every time, we make suggestions, they say “it has already been decided”.

To these managers, the lack of involvement served as an important cue for the underlying issue of autonomy. They argued that the limited involvement of people in the bank resulted from the limited autonomy of the member bank. As people in the bank felt left out of many decisions affecting the local level, the managers argued that the resulting loss of motivation had led to a strong decrease of commitment and involvement.

### *Set of cues 3: tensions*

In a sense, the third set of cues was related to the second set. It revolved around tensions in the Deegen bank. In the early discussions, all MT+ group members agreed that they felt tensions between the departments and also between the local bank and Rabobank Nederland. As such, these tensions were a cue for further discussions to identify a strategic issue underlying these tensions. The General Director argued that the tensions resulted from unresolved issues in the merger of 4 smaller banks, in particular the personal relations between managers and employees of the banks that were merged together. In a document entitled: ‘why does Rabobank Deegen participate in Results Oriented Management?’, he noted:

Last year's sessions of ROM, which were only attended by the management team, gave us the possibility to work on an improved result together. It allowed us to engage in team building. The current sessions of ROM give us the possibility to involve more employees in the process of policy creation. These employees learn to look beyond their departments, which allows a better mutual cooperation.

Being aware of the tensions in his bank, the General Director felt that his emphasis on collective policy making was justified. The consultant was also aware of these tensions, but he did not believe that these reflected a need for collective policy making. Rather, he attributed these tensions to a collective uneasiness with confronting each other with obtained results. In an interview, he explained:

People treat each other rather cautiously. They do not really dare to speak their minds or provide feedback to each other. [...] For example, I have seen previous sales plans, which just stated that they aim to increase sales. Not by how

much. Moreover, the entire department was listed as responsible, and the due-date showed ‘continuously’. So no targets were really set. But as the demands on the bank increase, tension builds. That’s why I think they hired me. [...] But that only works if everyone takes his or her individual responsibility.

As far as the consultant was concerned, the tensions were another cue for the bank to introduce a sense of accountability for all employees and managers. The mere discussion of tensions strengthened his belief that the core strategic issue was to keep each other accountable.

The other managers did also not dispute that tensions existed, but they disagreed with the consultant and to a lesser degree with the General Director about the cause of these tensions. On a variety of occasions they argued that the tensions arose out of a lack of autonomy of the bank and its individual departments. The managers felt that Rabobank Nederland was not sensitive to the needs of customers from rural areas such as Deegen. During one of the MT+ meetings, the manager of the Financial Advice department elaborated:

Sessions based on the ROM programme may potentially lead to a higher local understanding of strategies. However, the fact remains that the direction has been set nationally, and we get involved around that. The actual influence that we have is very limited, and people do not feel they can exercise influence on the future of the bank. And it is that which creates tensions.

Although local banks are formally autonomous, the managers felt that some of this autonomy was ceremonial. Particularly the creation of local strategies exposed that many local decisions were constrained by national policies and support by Rabobank Nederland. To the managers, this was the true issue underlying the tensions in the bank.

#### *Sensemaking by other employees in the Rabobank Deegen*

The sensegivers, including the General Director, the managers and the consultant all agreed on the cues which were discussed in the context of strategy making. They did not dispute that the financial results were weak, or that there was limited employee involvement and that tensions existed on a variety of levels. However, as discussed above, they disagreed about the underlying strategic issues which were at the root of these observations. Table 1 presents an overview of the cues and the strategic issues to which they were associated by the different sensegivers.

The other participants in the MT+ group, the employees, were mostly standing at the sideline. They observed how the consultant, the General Director and the managers disagreed on the meaning of the cues. Rather than providing a dominant meaning for these cues, these disagreements signalled that these cues could point to ambiguous strategic issues. As such, the employees needed additional information to alleviate this ambiguity. However, the provision of this information had been the primary task for the sensegivers, i.e. the consultant, the General Director and the managers. Yet, the absence of a convincing connection between a set of cues and a strategic issue had severely hampered the sensemaking efforts of the other participants.

As a result, the employees were unable to identify a strategic issue themselves, as they lacked the information to make sense to the cues which were discussed. Even after the programme of strategic planning was completed, many of the participants were unsure of what it was that they had achieved. As one participant noted:

I am very glad to be a part of this. I have shared my experiences and I have heard those of others. But now I wonder: ‘what’s next?’ We need to understand what these experiences mean, but we haven’t done that yet.

Similarly, the evaluation of the programme, depicted in Table III in Appendix 2, revealed that the programme succeeded in arousing interest on the part of the participants, but it did not allow them to make sense of the cues presented. The negative aspects of the programme included: ‘need to start programme sooner’, ‘more meetings with more people’, ‘Lack of coherence’, ‘Greater need for project leader guidance’, ‘Assignment needs to be clearer up front’, ‘More guidance (external stimulus) needed’. These notions pointed to a perceived need for more sensemaking opportunities. A report published 5 months after the programme, which contemplated the requirements of a new, more condensed strategic planning cycle, noted: ‘our primary objective must be the creation of support for plans. .... Clear communication is a ‘must’, in a clear and understandable language. Employees need to be challenged to think about the how and why of the strategic plans’. This report argued that employees needed to be invited to make sense of strategic plans in their daily work. Yet, collective strategy making involves more than the mere provision of sensemaking occasions. It needs to be managed to such an extent that the sensemaking process fits with the initial objectives for collective strategizing.

**Table 1**

Various issues proposed by the 3 sensegivers in Rabobank Deegen

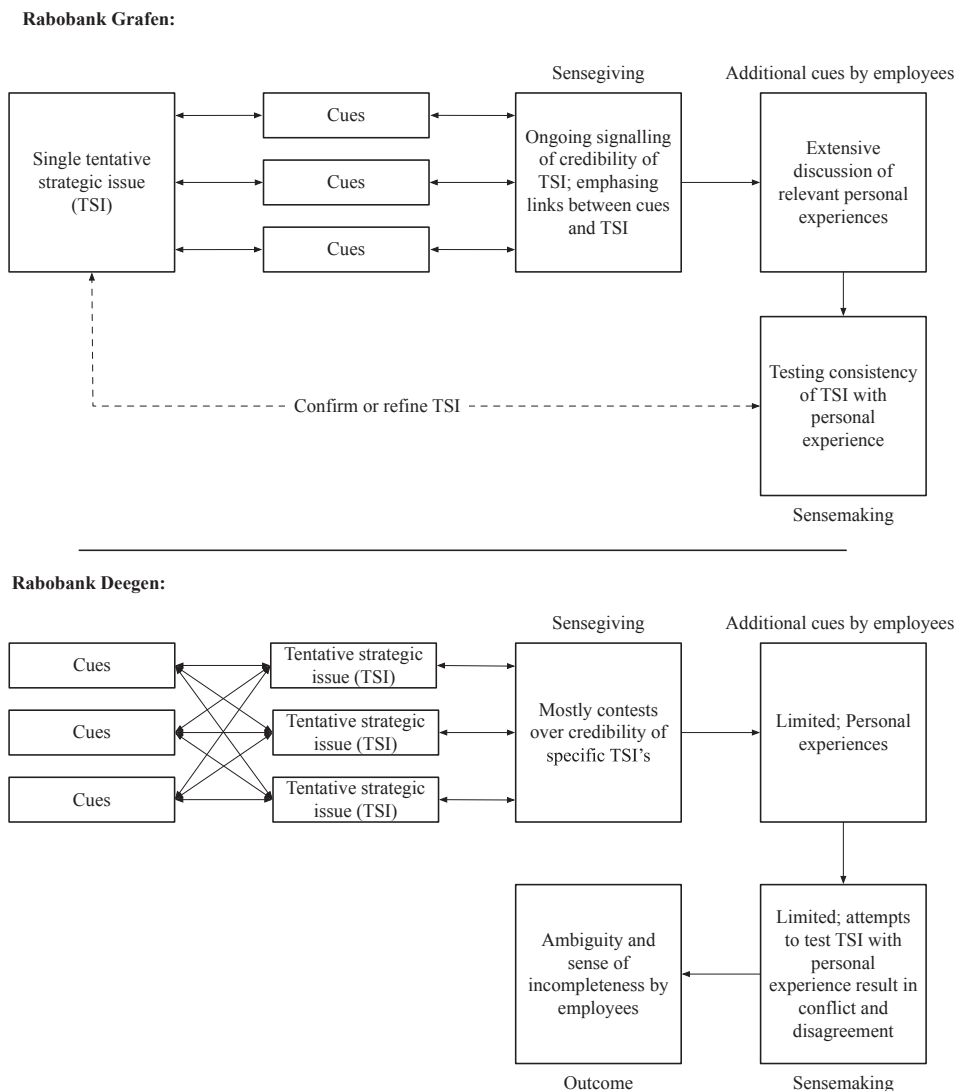
Cues	Issue proposed based on cues	Sensegiver proposing the issue
(1) Financial performance / costs / Margin on interest	<i>Need for collective policy and communication</i>	General Director
(2) Limited employee involvement	<i>Commitment to objectives</i>	Consultant
(3) Tensions within and between departments and between Rabobank Deegen and Rabobank Nederland	<i>Lack of autonomy of local bank</i>	Managers

**Discussion and conclusion**

The processes of collective sensemaking of strategic issues varied considerably between the Grafen and the Deegen banks. Figure 2 depicts a case by case comparison to tease out these differences.

In the Grafen bank, the objective was to create a single dominant issue that was widely supported by the MT+ group. As the General Director argued: 'I want to try and use this programme of strategic planning to identify one dominant issue, which will inform all our behaviours, actions and interactions'. To this end, a single tentative strategic issue (TSI) was proposed by the project organisers. They argued that this issue of 'entrepreneurship' was consistent with a series of cues that they also prepared. Due to these extensive preparations, the process of sensegiving in the MT+ group was focused and continuously revolved around the message that the cues signalled a need to become more entrepreneurial. The meetings allowed employees to extensively discuss personal experiences, serving as additional cues, to question if and how these experiences were cognitively linked to the tentative strategic issue of entrepreneurship. In other words, the employees assessed the credibility of the TSI through their own experiences. This reciprocal process led to an ongoing refinement of the TSI to the extent that 'entrepreneurship' became objectified and, to a certain degree, taken-for-granted as an important strategic issue. Although the issue of entrepreneurship could have been rejected altogether, this was unlikely from the outset. Before the first meeting of the MT+ group in the Grafen bank, the internal project leader noted:

We have more knowledge of the things that emerge in the MT+ meetings, simply because of our hierarchical position and also because of our preparation. Therefore, I have a pretty good idea of what the outcome of the ROM process is



**Figure 2.** Case by case comparison

going to be. However, the added value is in the process itself, and not the result, which we could have dictated top-down; probably with little effect.

In contrast to the Grafen bank, the project organisers in the Deegen bank gave less attention to the preparation of the programme, and there was less agreement about its ultimate objectives. The programme was accepted because of 'a need to do something together' and therefore, no TSI was initially proposed. The project organisers had prepared various cues, but there was no prior agreement about the TSI that these cues represented. As a consequence, the project organisers were seen to be competing over the dominant interpretation of these cues; each organiser advocating a different TSI. This was confusing for the employees, as it signalled that each cue provided could have multiple potentially inconsistent meanings. In addition, the employees were seen to bring up various personal experiences but they were not assisted in forging cognitive ties between these cues from their daily lives and a single strategic issue. The result was additional confusion and ambiguity. As Weick argues, when people are overwhelmed by equivocality, they need 'values, priorities, and clarity about preferences about to help them to be clear about which experiences matter. Clarity on values clarifies what is important in elapsed experience, which finally gives some sense of what that elapsed experience means' (1995, pp. 27–28). To the participants in the Deegen bank, the programme was left 'unfinished' as it ended without bringing together the variety of cues into a meaningful strategic issue. Instead, rather than producing a single strategic issue, the meetings and discussions made extant tensions tangible and open for potential resolution, which, in itself, may have been a desirable outcome for the bank.

The processes of bottom-up strategizing in the Grafen and Deegen banks evolved very differently, in spite of the fact that they were part of a similar formal programme. These differences can be attributed to three main causes. Firstly, we can distinguish between two different types of organisational sensemaking in the banks. The participants in the MT+ group in the Grafen bank engaged in guided organisational sensemaking. This type of sensemaking was typified by a single dominant issue and attempts by various key participants to control the outcome of the sensemaking processes. This process of sensemaking led to many consistent actions and compatible accounts about one issue which was of interest to the bank. The internal project leader discussed these outcomes as follows:

Currently, we are clear on what our challenge is, but what I see now is that everyone explains it differently than those around them. I embrace that. I think we all agree on the need to be entrepreneurial in an abstract sense, but everyone will apply that differently in his or her own work situation.

The General Director and the managers were clearly acting as sensegivers, with the consultant playing a supporting role. The sensemaking process in the Grafen bank was tightly controlled. The managers and the General Director exerted much influence over the proceedings to make sure that an unambiguous strategic issue emerged. By contrast, sensemaking in the Deegen bank can be referred to as fragmented organisational sensemaking. There were fewer attempts to control the sensemaking process and various occasions of low animation were present. As a result, the MT+ group identified several potential strategic issues and employee commitment for any single strategic issue was low. For, it proved to be difficult for the employees to forge cognitive ties between multiple competing tentative issues and their daily experiences. The 'laissez-faire' style of managing the sensemaking process in the Deegen bank had not provided the guidance needed for the provision of consistent meaning to elapsed experience. However, it did reveal tensions in the bank, which may not have surfaced otherwise. Rather than producing a single strategic issue, the meetings and discussions made these tensions tangible and open for a potential resolution. Over all, fragmented organisational sensemaking thus produced a dramatically different outcome than the guided type of sense making. These outcomes may or may not be appropriate, depending on the objectives of the programme.

Secondly, both banks had quite different preconceptions about the nature of strategic issues and how they emerged. The managers in the Grafen bank first introduced a tentative strategic issue which was *then* followed by a variety of cues. These cues were then retrospectively explained by referring back to the tentative strategic issue. The managers thus recognised that sensemaking is retrospective and that cues need to be managed as they can be associated to different strategic issues. By contrast, the project organisers in the Deegen bank first introduced various cues which they assumed would result in a shared strategic issue. The case study highlights that this assumption did not hold. Cues in themselves do not 'point' to any single issue, but to assume that they do can lead to uncontrolled competition over the dominance of a potential strategic issue. For, as the case study demonstrates, cues can be made to 'fit' various different strategic issues and people may have an interest in promoting a particular strategic issue.

Thirdly, the case study highlights the different roles of the managers of both banks. A collective process of strategizing involves the forging of cognitive ties between daily experiences of employees and tentative strategic issues. This view of collective strategizing implies that managers cannot dictate strategic issues to employees, nor can they exclude themselves altogether from the process of strategizing. In both banks, managers chose different levels of involvement in the processes of sensemaking. This involvement in collective sensemaking processes puts particular demands on managers. For, their role is to create the conditions for a process of 'exploration' and 'learning' through which employees make credible connections between their daily experiences and a strategic issue which may be responsible for these experiences. As Rouleau & Balogun suggest: '[for sensemaking,] language use is key, but needs to be combined with an ability to devise a setting in which to perform the language' (2011, p.953). Processes of sensemaking can be diverse, each leading to a different outcome. Therefore, through the ways they guide these processes, managers have a great impact on the outcomes of collective strategizing and on the 'exploration' and 'learning' of employees in the process.



The study in the two member banks of the Rabobank demonstrates that the mere provision of an opportunity for sensemaking does not guarantee the emergence of a single strategic issue. Rather, it highlights that sensemaking occurs in many forms, which need to be managed. Managers may need to define the purpose of the sensemaking occasions, introduce appropriate cues which are consistent with the desired type of sensemaking, and determine the degree of their own involvement. In doing so, the process of collective sensemaking may contribute in varying degrees to the creative generation of strategic issues, broad support for a single strategic issue or the improvement of intra-organisational relations by bringing slumbering conflicts to the fore. Managers are able to affect the types of sensemaking and their outcomes through the design choices they make. Discussions and meetings serve as an arena in which the participants search for a common cause for a multiplicity of past experiences and events. By virtue of their role in organisations, managers are pre-eminently suited to create the conditions which allow the sensemaking process to reach its full potential.

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## Appendix 1. Themes collected in the Grafen bank

Themes identified in the Rabobank Grafen	
Technology and quality of service	Cost savings through employee reductions
Direct customer contact	Long time-span of process
Customer friendliness	Mass transportation
Man and machine	Investments in technology, while one objective was cost reductions
The right attention for the right customer	From recurrent tasks to personalised service
Resistance	More attractive work through increased customer contact
Positive employees as trendsetters	Different demands on employees; parting of the ways

## Appendix 2. Sensemaking in the Deegen bank

**Table I**

SWOT analysis of Deegen bank

Strengths	Weaknesses
Management team aware of deficiencies in the bank and having desire to improve	Communication
Active role of bank in local community	Personnel development policies
Opportunities for employees	Clarity in policies and strategy
Attention for personal development of employees	Cooperation within/between departments
Conditions of employment	Clarity of targets
Much in-house expertise	More pro-activeness
Willingness to change	Variation in service concepts
Results of dept. private customers	Process-implementations and ways of working
Financial results 2002	(Sales) quality of employees
	More initiative/responsibility of employees
	Insufficient use of existing information
	Low number of services provided per customer
	Costs/margin on interest/banking prod.
	Office and branch facilities
	Competences
	Expertise on specific topics is low
	Costs are too high
	Size of the bank uncomfortable (too small)
	Problems in Corporate Clients department
<b>Opportunities</b>	<b>Threats</b>
Ageing of population	Few possibilities for expansion
Development of tourism and recreation	Increasing gov. intervention: 'zorgplicht'
Increase of household means	Ageing of population: decreasing commitment to cooperative bank
Decreasing government intervention	Size of area of activity
Internet / e-commerce	Shrinking market ages 0-55
Deepening and broadening markets	Development of nice-players
Networks	Internet / e-commerce
Privatisations	Increasing competition and unpredictable decision behaviour consumers
Broadening market share	Size of the bank
	Margin on interest (in general)
Active stance towards customers	Legislation
Recovery natural environment	
Decreasing importance of physical distances	

**Table II**  
Themes defined by the MT+ group in the Deegen bank

Themes identified in the Rabobank Deegen
Customer relations
Customer service (distribution policies)
Personnel and HRM policies
Cooperation
Development of policies, strategies and associated targets on all levels (board, management team and individual employee)
Processes (following agreed procedures)

**Table III**  
Conclusions of evaluation ROM (Source: Minutes of ROM meeting, December 10, 2003, Deegen)

Positive aspects	Aspects in need of improvement
Departmental meetings	Time pressure
Understanding atmosphere	Need for start programme earlier in the year
Interest/curious/discussion	More frequent departmental meetings
First impulse for support for policies	Lack of coherence
Awareness/more questions from departments	Need for more guidance
Supervision by external supervisor	Assignment must be clear from the start
	Guidance (external stimulus) needed
	Timeline for considerations of the various topics
	(for example: mission) not adhered to, which results in an incoherent programme

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## Biography

**Martijn van der Steen** is an Associate Professor in Accounting at the University of Groningen. He holds a PhD from the same institution. His research interests revolve around the effect of accounting instruments on individual cognition and their influence on organizational processes of change. His research has been published in journals such as *Accounting, Auditing & Accountability Journal* and *Management Accounting Research*. In addition, Martijn is member of the Editorial Board of *Qualitative Research in Accounting & Management*. Email: [m.p.van.der.steen@rug.nl](mailto:m.p.van.der.steen@rug.nl)