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**Making sense of adaptability initiatives in the teeth of
rigidity**

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Abstract

This case study explores how members of a large complex organization make sense of its efforts to be more adaptable. Using ideas from institutional theory, we problematize efforts toward adaptability and identify adaptability as an area where organizations engage in some degree of hypocrisy, meaning that they talk about being flexible to stay competitive in a fast-paced environment, but often act according to rigid processes that are in place. Organizational members then make sense of this discrepancy interdependently. We conduct interviews with 12 employees at Consumer Goods Inc., a rigid organization, and analyze how they make sense of the attempts at increasing adaptability. We find that explicit efforts at sensemaking are heightened by a certain politicization that occurs with the introduction of adaptability initiatives. These individual interpretations can be understood as micro events connected to the macro events of adaptability and rigidity. We explore the connection between competing macro events and sensemaking to understand discrepancies in how individuals made sense of the adaptability contradictions at Consumer Goods Inc.



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1. Introduction

Organizational adaptability, an organization's ability to adapt to its changing environment, is widely recognized as an important characteristic for organizational survival. It has been recently emphasized, with a basis on the belief that we live in an increasingly complex and fast-paced world (e.g. Ilinitch, D'Aveni & Lewin, 1996; Van der Weerdt et al., 2012; Volberda, 1996). Ilinitch et al. (1996, p.212), for example, refer to a "hypercompetitive environment" as the reason for organizations to work on their flexibility and adaptability. This emphasis on change and adaptability is prevalent enough to have received criticism from scholars in recent decades. Gee et al. (2018, p.25) have referred to it as the "fast capitalist story". It is the perpetually contemporary story of globalization, technology, and competition creating faster change than ever before, and requiring organizations to be adaptable (referring to the long-term), and flexible (referring to the short-term) (Grey & Garsten, 2001). Although some see the "usual suspects of globalization, competition, new technology and unprecedented speed of change" (Hodgson, 2004, p.83) as a mere story, there is no doubt that both organizational scholars and managers have launched into efforts to reach flexibility and adaptability.

In this introduction, we summarize some areas of literature that relate to organizational flexibility and adaptability to highlight the tensions that, as Engelhardt and Simmons (2002) point out, surround the concept. They define organizations as systems of integrated and interdependent parts, and argue that there is an inherent contradiction in the term "organizational flexibility". *Organizing* implies some fixed or structured system that brings these parts together, while *flexibility* is about change, and departing from fixed structures to respond to that change. We argue that the literature that promises adaptability is also riddled with tensions about having both a structure that ensures the achievement of organizational goals, and the ability to adapt and change those goals so that they remain relevant.



1.1 Searching for Adaptability

One area of research that addresses adaptability is organizational design (Burton & Obel, 2018). The basic question of organizational design is about how to break down an organization's goal into smaller units and how to bring those subunits back together into a whole. The "breaking down" part of organizing has been referred to as specialization (Jones, 2013), differentiation (Lawrence & Lorsch, 1967) and structure (Burton & Obel, 2018). The "bringing together" part is called coordination (Burton & Obel, 2018) or integration (Lawrence & Lorsch, 1967). Finding a proper fit between the contradicting tasks of specializing and coordinating efforts is often seen as central to flexibility and adaptation, and tasks that are necessary for adaptation, such as innovation (Kahn & Mentzer, 1998).

Some scholars focus on finding an optimal "fit" for a new state of affairs, usually in terms of structure. The idea is that structures that worked in stable environments no longer fit complex environments like the ones many organizations face today. Thus, new structures and ways of working are seen as necessary for organizations to adapt to more complex environments. New structures have been developed and their effectiveness tested, such as multi-authority and matrix structures (Levinthal and Workiewicz, 2018) and project-based work (Hodgson, 2004). "Fit" is also seen in organizational design as the fit between structure and coordination (Burton & Obel, 2018). The organization's design, they argue, should be context-based to make it flexible within its context (Burton et al., 2015). However, studies that evaluate the effectiveness of these structures in a variety of contexts have provided mixed and inconclusive evidence (Staber & Sydow, 2002; Greenley & Oktemgil, 1998). This suggests that perhaps the quest for a perfect "fit" is a futile one.

Another approach is taken by theories that focus on developing organizational *capabilities* by which organizations can navigate through changing contexts. Staber and Sydow (2002), for example, are proponents of building what they call adaptive capacities, which they claim enable an organization to succeed in the unforeseeable future. Such organizations can "reconfigure themselves quickly in changing environments", rather than wait for a change to occur and then react (Staber & Sydow, 2002, p.410). Raisch's (2008) idea of ambidexterity also falls into this more general capabilities-focused approach. The ambidextrous organization is one that doesn't have to choose between mechanistic structures that exploit existing potential and organic structures



that allow for exploration of new ideas that keep the organization relevant. The ambidextrous organization can use capabilities from both approaches, by switching between exploring and exploiting either in time, separating them by departments, or at the individual level using both for separate tasks (Raisch, 2008). Another proposition which focuses on abilities rather than structure is the transnational solution (Bartlett & Ghoshal, 1998). They talk about organizations responding to forces of globalization and localization rather than needing to explore or exploit, but there is a similarity of contradictory ideas at odds with each other - being able to respond quickly to local changes and be centralized for efficiency (Bartlett & Ghoshal, 1998).

There is also literature on collaboration, coordination, and integration that is aimed at increasing flexibility in organizations (Troy et al., 2008; Burton & Obel 2018; Luo et al., 2006). The ideal way of bringing together separate functions is also often argued for in terms of capability. Organizations that are differentiated and integrated have the “*ability* to cope effectively with the demands of the external environment” (Lawrence & Lorsch, 1967). This area of literature emphasizes intra-organizational relationships as the way to reach the ideal of adaptability.

1.2 Adaptable Organizations in Practice?

A common point between all of this literature is that to achieve adaptability, organizations must balance a series of contradictions: specialization and coordination (Levinthal & Workiewicz, 2018), differentiation and integration (Lawrence & Lorsch, 1967), localization and globalization (Bartlett & Ghoshal, 1998), exploration and exploitation (Raisch, 2008). What happens in practice when organizations try to take on these contradictions?

We can expect some degree of misalignment between organizational action and talk during the pursuit of the contradictory elements in adaptability in combination with rigidity. Mayer and Rowan (1977) among other institutionalists refer to these misalignments as instances of *decoupling*. This can be expected to occur on several levels. During a change initiative (such as the effort to increase adaptability), there will be a gap in what is realized and what is aimed for, albeit temporary. Even in successful implementation, then, the decoupling persists until efforts have been achieved. A more profound level of decoupling can however be anticipated in efforts towards



adaptability in contexts where rigid processes are embedded in the organization and its employees' ways of working, as the 'achievement' of the efforts will be hard to realize as well as to measure. Contributing to the issues with achieving such efforts, the institutionalist perspective sheds light on adaptability as a new norm that is increasingly required of organizations in order to be considered legitimate (to react to the 'fast capitalist story'), but that are only loosely coupled with organizational activity in practice (Mayer & Rowan, 1977). In this case, the "talk" about adaptability must be present for the sake of legitimacy, but it may not always be enacted, nor pursued.

Furthermore, in adaptability initiatives, we can expect organizational members to face the ambiguity that is inherent in the paradoxes previously discussed. In situations of ambiguity where there isn't a clear way to act, sensemaking becomes intensified (Weick et al., 2005). The discrepancy between talk and action introduced by the decoupling could further heighten sensemaking processes, since sensemaking is also intensified when there is a discrepancy between what is expected and what is experienced (Weick et al., 2005). By looking at the pragmatically problematic context of increasing adaptability in a rigid organization, we therefore investigate how efforts toward adaptability play out in practice, with a focus on how organizational members make sense of the ambiguities it may involve.



2. Statement of Purpose

The purpose of this study is to further the understanding of how organizational members make sense of organizational initiatives with contradictory elements. The context for this exploration is adaptability initiatives, which are contradictory in two ways. First, as discussed in the introduction, adaptability has contradictory elements in itself, and second, the organization studied is characterized by rigidity, which contradicts adaptability. An investigation into how the contradictions in such initiatives are made sense of provides an understanding of adaptability in practice, which is useful for both practitioners and academics. We address the following research questions:

- How do organizational members make sense of the efforts to increase adaptability in a rigid organization?
- How do the tensions in this dichotomy play into the sensemaking process?



3. Disposition

The disposition is aimed at providing an overview of the structure of the thesis. The chapters and their outline is presented here as a way for the reader to understand what is to come.

The **first chapter** was written with the aim of introducing the reader to the organizational *context*. The rising emphasis on adaptability and flexibility from different bodies of literature that address the question of organizational adaptability were presented. In this sense, the introduction should be distinguished from the theoretical framework used to answer the research question. The **second chapter** elaborated on the purpose of this research and the questions asked.

The **fourth chapter** explains the methods used to answer the questions, including the process of data collection and analysis, and provides insights into the philosophical underpinnings of the study. The methods chapter furthermore illustrates relevant contextual information about our case study, namely the site - Consumer Goods Inc. The **fifth chapter** reviews the institutional theory and sensemaking literature that constitutes the theoretical framework that will be used to analyze the empirical data with the purpose of answering our research question. The **sixth chapter** is the analysis. Excerpts from the transcripts provide a base for interpretation and analysis with the use of the theoretical framework. The respondents' views and narratives of the efforts to increase adaptability are investigated in order to understand how they make sense of such initiatives. The **seventh chapter** discusses the findings in order to synthesize the analysis taking the multitude of perspectives into account. We conclude the study in the **eighth chapter** by highlighting the emergent conclusions of the study in relation to the introduction of efforts towards adaptability in a rigid organization.



4. Methods

This chapter serves to explain the processes of data collection and analysis, as well as to provide the reader with insights that are aimed to strengthen the credibility of the study. Following the methods and methodology, a description of our site - Consumer Goods Inc. will be presented. Throughout the chapter, the task of maintaining transparency in the highest degree possible has been undertaken. When it comes to strengthening the credibility of the study, we will outline the process of reasoning behind how we gathered our data, and what potential weaknesses the process might have invoked. In addition to providing insight in methodology, the disclosure of the data collecting process has a secondary aim at providing an understanding of the challenges we encountered during the empirics collection, as well as how they altered our initial direction for the study. This alteration of direction has also come to augment the importance of our empirical data, causing it to be the springboard of the entire study.

4.1 The Data Collection Process

In broad terms, we embarked on this study with the aim of contributing to an understanding of how employees make sense of their role in a complex organization. We got access to a large, complex organization, Consumer Goods Inc. (a pseudonym), and conducted a case study consisting of semi-structured interviews and an observation.

At an initial meeting with the CEO of Consumer Goods Inc. Sweden, we became aware of an initiative - “New Reality”, that was in the early stages of implementation. The initiative revolved around increasing the organization’s ability to deal with what they view as a new and changing environment. We connected this to the “hypercompetitive environments” (Ilinitch et al., 1996) and “fast capitalist story” (Grey & Garsten, 2001) discussed in the introduction. We originally intended to study how employees made sense of this specific initiative but realized that we could not collect data that could answer the initial question regarding the initiative from top management, due to the lack of awareness of the specific initiative amongst our respondents. Only one respondent seemed to be fully aware of the initiative, and explained: *“There is an overall strategy change within Consumer Goods Inc. as well, and that came from the change of [global] C.E.O. and guidance as well. It’s a very clear message on speed, speed, speed, and simplification of course and it is starting*



to trickle down.” We therefore opened the interviews early on, bringing in broader questions about topics that are related to the initiative, thereby gaining insight into how our respondents make sense of what the initiative is about, without them necessarily knowing the details of this specific initiative.

We were given access to key personnel that inhabit roles within different functions within one product category and conducted interviews lasting 45-80 minutes with 12 employees. We always asked about the initiative itself, but as there was a lack of awareness of the initiative, we discussed important components of the initiative, with a focus on collaboration and cross-functionality for the sake of adaptability. The responses that generally outlined issues and obstacles invoked follow-up questions about how the respondents view their role in relation to these issues and obstacles. The process of maintaining consistency and quality of our data required constant scrutinization of our data in between the interviews.

The interviews were recorded and transcribed as soon as possible following the interview to include observations that would otherwise not be apparent in text where body language and expressions are naturally omitted. The transcripts were then reviewed and processed in order to provide an overarching understanding of the respondents differences and similarities in regards to topics that have been discussed.

4.2 The Analysis Process

This part of the methods chapter aims to explain our approach and intentions with the analysis and the outline of the concerned chapter. Here, we describe how the empirical data has been made subject to the research question.

To code the data, we reviewed and processed our empirics multiple times in order to find the salient themes, namely issues with collaboration, adaptability and rigidity of processes, and how our respondents viewed their partaking of collaborative efforts at Consumer Goods Inc. When that had been done, we grouped excerpts from the transcripts from the different respondents under common topics that facilitated the creation of an overview. Out of the most commonly occurring themes, we



focused on 10 that seemed to be most relevant to the employees at Consumer Goods Inc. (Swedberg, 2012). These were structured in an excel sheet where themes were presented in columns on the X-axis, and the respondents name presented in the rows on the Y-axis. The themes have been interpreted and analyzed with the help of our theoretical framework (see chapter of Analysis). We have thus attempted to reach the underlying processes behind the first impressions, as observed reality is an expression of these (Alvesson & Sköldberg, 2009).

Kvale (1996) emphasizes the importance of transcribing interviews. Adhering to this importance, the transcripts provide us with further possibility to scrutinize our interviews, as well as to increase credibility of our interpretations. In line with Asplund (2002), we acknowledged the implicit understandings that are made through interaction with the interviewees, and took note of these in the transcripts as we observed behavior that may not be understood from simply reading the uttered words from a text. The analysis intertwines our theoretical framework throughout the interpretation, and depending on which parts of our theoretical framework are used, different levels of “depth” are achieved. While some excerpts from the transcripts are quite descriptive, and from which implications and conclusions can be drawn more directly, others are less explicit and require us to look further than taking what our respondents say at face-value. This is described as alethic hermeneutics, which is about “revelation of the concealed rather than correspondance” (Howell, 2012, p.162). This approach is used to gain richer interpretations, and where they are used, we elaborate on how we come to the deeper understandings as presented by the model of understanding and preunderstanding in Alvesson and Sköldberg (2009, p.96).

The abductive approach to the analysis combines the inductive and deductive way of working (Alvesson & Sköldberg, 2009), and has let us go back and forth in between our empirics and theory. As relevant theories have emerged, they have been incorporated in the analysis to provide the reader of this thesis with the same insights that we have had.

The excel sheet that we used to structure our findings under relevant themes helped us provide a rich description, as similarities as well as contradictions could be grouped and structured. By rich description, we mean that emerging contradictions and multitudes of interpretations have been



acknowledged, and rather than viewing them as exceptions to our findings, we have interpreted them and let them be constituents of the full picture, that we aim to provide in our empirically driven thesis (Prasad, 2005).

4.3 A Qualitative and Interpretive Approach

Since we wanted to understand something we had little prior contextual knowledge of, we chose to take an interpretative approach in the collection of data, as understanding, according to Schwandt (2000), *is* interpretation. The process of interpretation, and the fact that we had to realign our focal point in regards of the versatile data, resulted in us having to go back and forth between bodies of literature that would help us understand the data once it was collected. This abductive way of working allowed for continuous refinement of the study and its outline and scope (Alvesson & Sköldberg, 2009).

We bear with us that the concept of understanding something is not absolute in the social sciences (Prasad, 2005) and in our case, the understanding we have gained from the respondents in regards of the complex organization they work in, is processed in a way that makes it effective for its purpose (Watson, 1997). By effective for its purpose, we mean it's probability to answer how organizational members make sense of the dichotomy of increasing adaptability in a rigid organization.

For the reason of understanding employees sensemaking, we took a qualitative approach, combining both *semi-structured interviews* (Prasad, 2005) and observations of members of a cross-functional team. According to Kvale (1996), interviews are a befitting method when one aspires to gain insights in how someone understands their world. We attempted to capture the understandings that Asplund (2002) argues are made intersubjectively and not as a solitary activity. In other words; understanding is a process that is not undertaken by one single party, but rather an interdependent process between the interviewer and the interviewee. Furthermore, since we pursue the construction of an understanding, we favor interviews over quantifiable answer that can be achieved with less effort through questionnaires and surveys (Fontana & Frey, 2000). We therefore asked open questions (see appendix). The direct way of generating data through some structured



questions can be combined with depth from elaborated responses from follow-up questions (Prasad, 2005; Deetz & Alvesson, 2000).

All of the questions asked were open and based on discussion with the purpose of gaining rich material rather than affirmative and negative answers to our questions. Consequently, the respondents seemed comfortable with speaking freely, as suggested by Schwartzman (1993). We furthermore avoided using specific terminology that might trigger favored answers. Rather, we focused on getting down to earth explanations of what they do and think about their role and the organization's efforts to integrate and explore. Most questions have been prepared in advance, and focus has been put on how questions are phrased, including the improvised ones, in order to avoid ascribing any value to responses, other than what the respondents communicate themselves. In spite of this effort, we bear with us the notion that an interview is an unnatural setting, thereby potentially distorting the findings. To combat notions of distorted reflections of reality we employ the idea of Dingwall (1997, p.60) who writes: "Where interviewers construct data, observers find it". We observed 3 consecutive meetings amongst employees within different functions during one working day (with most of our interviewees attending at least one of the meetings) in order to see how cross-functional collaboration is enacted. The reason for focusing on how cross-functional collaboration is realized during meetings was in line with the initiatives to increase adaptability through collaboration. We do however not believe Dingwall's (1997) conclusion of observation's legitimacy is fully applicable in our context as you cannot fully eliminate the sense of intrusion, even when the observation is passively performed (Labaree, 2002). Furthermore, our observation meant that the meeting participants spoke English rather than Swedish, which arguably added to the sense of intrusion. In spite of this intrusion, we argue in the line of Bryman (1989), emphasizing the usefulness of an observation to understand how organizational members collaborate across functions in order to explore and integrate to increase adaptability.

As the research question relates to how the respondents make sense of the tensions of increasing adaptability in a rigid organization, we have to acknowledge the subjective construction of individual realities. Sensemaking frequently occurs on an individual level, contributing to the complexity of the situation. Prasad (2005) addresses this issue of complexity, and argues that these



kind of phenomena are not fit to be studied objectively. The interpretative approach to the study that is adopted instead will be elaborated on in the analysis of this paper. Certain elements that will be of relevance for the study, such as employee targets and goals, are artifacts whose existence arguably cannot be denied. Such elements will be presented at a later stage in this chapter. The symbolic meaning of such artifacts, along with sensemaking of other internal processes that will emerge throughout the analysis, are however prone to diverge when interpreting multiple respondents. The question of accepting something as knowledge will be kept central throughout the process of interpretation, as Bryman and Bell (2011) raises the question whether the social world can be studied in the same way as natural sciences. We keep that in mind as the empirical data collectively forms a basis on which the discussion and conclusion regarding how organizational members make sense of the dichotomy of increasing adaptability in a rigid organization, in line with Easterby-Smith et al. (2012) who highlight how multiple “truths” can help create an overarching understanding.

4.4 Confidentiality

For reasons of confidentiality, the name of the site has been altered and is presented as a pseudonym, namely “Consumer Goods Inc. (CG Inc.)”. In order to maintain this confidentiality, the products mentioned have been changed as well, we have however kept in mind that any alterations made will not affect the context to the degree that it renders our findings and results irrelevant. The relevant product category is presented as “Hygiene” in which the product is shampoo. Three different brands of shampoo (Gold, Silver and Bronze) are used to make distinctions, but no value is ascribed to their exclusiveness. Our respondents’ names have also been changed for the same confidentiality reasons.

4.5 Explaining the site - Consumer Goods Inc.

Consumer Goods Inc. is a large global organization with a matrix structure. We regard the complexity the size and the structure entails as contributing to why this site is of particular interest



to study. They offer a wide assortment of consumer goods that are divided into product categories, and the organization is further divided into regions and then into countries. These divisions and specializations that are inherent in the structure provide us with the potential to study how employees make sense of efforts to explore and integrate. There is a commercial team in each country and a manager for each product category in each region. Each category then has a representative in each country that answers to the region category manager rather than the country CEO, which seems to contribute to the struggles that some of our respondents face when it comes to organizational unity. The categories use the local sales teams and compete internally for their services. This internal competition for the productivity of the sales teams is also in line with what makes the organization interesting to study in relation to our research question.

Our study site is the office of the Swedish headquarter, with the Swedish commercial team and the CEO of Consumer Goods Inc. Sweden. The office and their operations are part of, and answer to the Nordic region Headquarter. The majority of our interviewees work in the same product category, with the exception of a select few that have functions across categories (such as the sales team manager). The biggest revenue for Consumer Goods Inc. Sweden is shampoo. ‘Hygiene’ includes a few major products, namely three different kinds of shampoo. Some functions are divided into client types; the retail teams, which sell to stores, and; the hospitality team, which sell to non-retail clients such as facilities with showers and hotels.



Below follows a summary of the interviewees and their roles within Consumer Goods Inc.

Interviewee	Consumer Goods Inc (CG Inc)	Description of role
Sales Controllers, CG Inc. Retail		Finance related, work with forecasting sales / pricing.
Country Mgr Sweden	CG Inc.	CEO of the region of Sweden.
Marketing Mgr Hospitality	CG Inc.	Head of marketing for one client type (non retail).
Sales Mgr, Hospitality	CG Inc.	Manages key account managers.
Factory Manager, Shampoo Bronze		Responsible for operations at shampoo factory.
Product Specialist, Shampoo Bronze & Silver		Working under the category manager (called CCSD), specializing in shampoo.
Product Specialist, Shampoo Gold		Working under the category manager (called CCSD), specializing in shampoo.
Marketing Mgr Shampoo Bronze, Retail		Head of marketing for other client type (retail) Also heading 'value stream team' – a cross-functional team for shampoo.
KAM, CG Inc. Retail		Key account manager, works more directly with clients, sells many products across categories to a few major clients.
CSD Mgr		Customer sales development – works with CCSDs + customer marketing team, but has no line responsibility for them. Role is about coordinating the categories in sales and marketing.
CCSD Shampoo Gold & Bronze, CG Inc. Retail		Country representative for Nordic manager of this category (sales focus) - reports to Nordic head, not Swedish head.
Field Sales Mgr, Retail	CG Inc.	Manages all sales representatives in Sweden



4.6 Contextual elements at Consumer Goods Inc.

To further describe the site, the coming four sections cover contextual elements that are important for the understanding of the study. Furthermore, we find these contextual elements to be of extra interest in regards of the purpose of the study, as they describe rigidities and potential barriers that increase difficulty of improving adaptability. This section is not to be confused with the analysis, as this section is only aimed at being descriptive.

4.6.1 Size and slowness

Due to lengthy procedures caused by centralized management and top-down decision making processes, the organization can be considered “slow” in the sense of change and action on initiatives. Consumer Goods Inc. puts a high price on mitigating risks and failures. As they act globally, management is highly concerned with unity amongst nations on their products, and international policies govern output, making sure that controversy and criticism is avoided.

4.6.2 Cross-functionality, Silos between categories & functions

Consumer Goods Inc. and how the different functions work can be described as “silos” to some extent. A contemporary narrative at the site is about “tearing down the silos”, thereby ascribing a negative notion to this way of organizing. One reason behind how the silos emerge is the difficulty of working in a relatively complex organization in regards of structure and lines of command (the relationship of who reports to who in a matrix structure is not as simple as in a functional structure for instance).

4.6.3 Targets

There is a predominant focus on goals and targets, both for the product category that employees belong to, as well as individual targets to be achieved. There have been issues with conflicting targets in the past, which in combination with a high focus on goals, caused problems for the operations at Consumer Goods Inc. A recent example of this is when one of the product categories ran out of stock. The sales department took a heavy hit on their goals as a result, whereas the supply unit with ‘low stock’ as their target were pretty much unharmed goalwise.



4.6.4 An adaptable future?

Consumer Goods Inc. is making several efforts to increase adaptability and speed. Global initiatives to reduce processes have been articulated throughout the company during the past few months (2017/2018), and a slogan that promotes collaboration and simplification is visible throughout meeting agendas and on formal documents, namely “Simply Better Together”. There is also a recent Nordic initiative to increase awareness of trends, incorporating both internal procedures as well as changing market trends that require adaptability and heightened responsiveness, called “New Reality”. Additionally, new management teams emerge that oversee entire value streams, building on collaboration and overview of processes. These teams are called “Value Stream Team”.



5. Theoretical Framework

5.1 Institutional Theory and Adaptability “Talk” vs. “Walk”

Institutional theory is an interesting perspective for studying organizational adaptability because it sees the organization as constantly adapting to, and adopting, new accepted norms and conceptions of how organizations should organize and act (Mayer & Rowan, 1977; Brunsson, 1986; Hallett, 2010). As discussed in the introduction, adaptability is being increasingly expected of organizations, and can be seen as a new norm that they need to adopt for the sake of legitimacy. According to institutional theory, any organization that deviates from an institutionalized script suffers the loss of legitimacy (Mayer & Rowan, 1977; Brunsson, 1986). Legitimacy can, depending on the context, be a lot more than reputation. As pressures for transparency increases, the observed processes and ways of organizing becomes a sort of output for certain stakeholders, in addition to what the company actually outputs in form of products or services (Brunsson, 1986). An organization needs to adhere to these institutionalized norms in order to gain legitimacy, but should also engage in practical activity to be profitable, and these two requirements are sometimes at odds.

Decoupling is a strategy that arises to deal with these contradictory requirements whereby formal policies and actual practice are disconnected (Mayer & Rowan, 1977). That way, the organization can comply with the requirement and have legitimacy, but it can also meet efficiency requirements. The decoupling of organizational “talk” from practical action has been called organizational hypocrisy (Brunsson, 1993b). This is relevant for our study, since attempts at being flexible or adaptable may affect what organizations say more than their formal policies. Brunsson (1993a) argues that organizations sometimes need to talk in one way, make decisions in a second way, and then act in a third way, also in order to gain legitimacy from different stakeholders. One of the reasons he gives for why it must be this way is that ideas that come from popular opinion are quick to influence how an organization “talks,” and popular opinion can change often and quickly over time. What an organization *does*, on the other hand, is often established with some degree of stability and routine, and is more slow to change. Organizational hypocrisy is not always an intentional or strategic choice, but sometimes a result of heterogeneity in the organization (Huzzard, 2002). This heterogeneity is important to reflect in some organizations. Brunsson (1986) denominates the ‘political organization’, which produces depression through myths of inefficiency



and incompetence. In contrast, the ‘action organization’ may have myths of efficiency and a solution-focus by aligning employees’ visions and goals, creating a fundament for action and direction (Brunsson, 1986). According to the study (Brunsson, 1986), this kind of organizational atmosphere provides employees with optimism and *enthusiasm*. Brunsson (1986) points out that the action organization needs consistency in between talk and decisions, since these two propel action. Political organizations, on the other hand, must sometimes fail to “walk the talk” in order to satisfy conflicting demands, and this causes frustration, depression, and a lack of action amongst its organizational members. Most organizations, he argues, cannot pick one of these extremes, but must rather try to balance action and politics.

The intensity of pressures to do things in a certain way are dependent on the degree of institutionalization in the business domain of operation. The three different kinds of pressures that causes organizations to resemble each other, also known as isomorphism, are: coercive, mimetic and normative (Palmer, Dunford & Akin, 2006). Coercive isomorphism explores external pressures that organizations must or should adhere to. External pressures can include formal legislation as well as general expectations from external organizations. The mimetic isomorphism revolves around the principle of the will to conform to that of others. It can be exemplified by the high school student who deals with uncertainty of how to prepare for university by buying a laptop of a particular kind simply because some other ambitious people use the same kind. The student gains legitimacy and might be perceived as ambitious simply because the laptop embodies the institutionalized script of a good student in this particular setting. The normative pressures stem from the process of professionalization. An example of this is the homogeneity in top management of Fortune 500 companies - the similarity in educational background (and demographic factors) begets norms and methods of how problems should be solved. Another very central element to institutional theory is that of myths and decoupling (Hallett, 2010). What happens when institutionalized conceptions are in fact not propelling efficiency in market exchange and the rationale of productivity? This is when actions and policies become decoupled (Mayer & Rowan, 1977; Brunsson, 1986; Hallett, 2010). Organizations conform, much like individuals that were subject to the Asch Experiment from 1951. In the experiment, individuals conform to a group by stating that a certain line drawn on a board is longer or shorter than another line, even though the answer may be incorrect. The respondent knows it is incorrect and the expressed facade is



decoupled from the observed fact. This way the respondent gains both legitimacy as well as an internal way of perceiving the matters that works (Brunsson, 1986). Decoupling can thus be seen as a way for organizations to have the cake and eat it too. Schultz and Wehmeier (2010) address this area of dichotomies, writing about competing institutional norms which the organization needs to at least seem to adopt. Such a complexity of contradictory pressures gives rise to an organization needing to use decoupling strategies, maintaining gaps between policies and practice (Mayer & Rowan, 1997). Conclusively, decoupling is a way for organizations to build a façade that allows them to claim legitimacy but are able to operate in efficient ways. With this perspective, “adaptability” could perhaps be understood as a norm that organizations must appear to adhere to but cannot in practice. Tienari and Tainio (1999) studied the rigidities in a flexible organization, and argue that rigidities of which the organization doesn’t seem aware coexist with the flexibility of which they were aware. Although this is not evidence of decoupling per se, it does suggest the possibility of gaps between talk and practice in this area.

Hallett (2010) criticizes the contemporary path of institutionalism due to its inclination towards a macro-perspective on organizations. He instead focuses on how coupling effects can be perceived at a local level, and more importantly, how the concerned employees make sense of the reinforcement of a previously loosely coupled policy. This reinforcement is denominated recoupling, and involves the tightening of myths to practices (Hallett, 2010). Meyer & Rowan (1977) proposed that tight coupling like this would be a source of uncertainty and conflict in organizations. We however argue that it is very contextual, as a myth or institutionalized characteristic may very well be positive once implemented, and the reason for loose couplings initially may be grounded in a lack of understanding, for instance. This is exemplified by Kelly and Dobbin (1998 cited in Hallett, 2010) who describe the implementation of antidiscrimination laws that on an initial level were not reinforced. When they were reinforced, companies generally complied. At a later stage, when the laws were less enforced, anti-discrimination had become integral to management, and the coupling stuck (Hallett, 2010).

This instance is however also delimited from local reception amongst inhabitants of recoupling phenomenon, furthering the importance of the study by Hallett. The case study emphasizes how the loosely coupled policy gave room and provided the employees with a cornerstone for making sense of their roles by interpreting the policy and its relevance. The lack of enforcement also



contributed to autonomy, thereby promoting the idea of professionalism (Hallett, 2010). The tightening of the policy was at odds with what had been institutionalized at the local level, making the recoupling to cause turmoil, distress, anxiety and hostility towards management. The employees had no formal right to dispute the policy, as it had formally been adopted years before the recoupling. They did, however, possess the symbolic power to shape meanings, given the fact that they were the constituents of the organization. This provides the author with a local view of recoupling, and gives future research a path towards examining how recoupling unfolds and to understand the social psychology of the turmoil it may bring via local interactions (Hallett, 2010).

5.2 Sensemaking

Some have argued that an individual perspective aimed at understanding the micro-level effects of decoupling and recoupling, like the ones mentioned by Hallett (2010), are lacking in institutional theory (Schultz & Wehmeier, 2010). The micro level of reality can be defined as revolving around face-to-face interactions among individuals (Turner, 2006). As we want to further the understanding of the effects on individuals, we bring in a sensemaking perspective. Sensemaking is a useful way of studying organizations because organizational life can be understood as interdependent people trying to deal with ambiguity by “searching for meaning, settling for plausibility, and moving on” (Weick et al., 2005, p.419). Explicit efforts at sensemaking occur especially in the context of ambiguity and when expectations and experience do not match up (Weick et al., 2005). It is, therefore, a relevant perspective in the context of organizational flexibility and decoupling as these can cause ambiguity and false expectations.

Simply put, sensemaking is a process of interpreting and giving meaning to experiences. The process is ongoing one, and starts with singling out information from the chaos of experienced phenomena. This has been called *noticing and bracketing* (Weick et al., 2005). This initial part of sensemaking is heightened by moments of *shock* (Jensen et al., 2009) where an expected course of action is interrupted. That which is bracketed then has to be labeled, and communicated (Weick et al., 2005). Labeling is always done retrospectively, and this is an important aspect of sensemaking that contributes to differences in how people and groups make sense of situations (Weick et al., 2005). Communication is an important part of sensemaking because meanings are communicated



and negotiated with others in interactions which, in a sense, create the social world (Brown, Stacey, & Nandhakumar, 2008). Weick et al. (2005) argue that the sensemaking process always tends toward action, as individuals and groups move from asking “what is going on?” to “what should I do next?” Interpretation, talk, and action, are then cyclically connected, but it is a cycle driven by plausibility rather than accuracy. When making sense, people are drafting “plausible stories” that are believable and allow them to deal with the ambiguity they are facing (Weick et al., 2005).

To what extent the sensemaking process happens individually and in groups is not entirely agreed upon by sensemaking scholars. One line of sensemaking theory emphasizes the social and shared aspects of sensemaking. They point to the fact that similar groups of people tend to understand phenomena in similar ways, and tend to understand organizations as groups or networks of shared meaning (Smircich & Morgan, 1982; Pfeffer, 1981). Smircich and Morgan (1982), for example, focus on the influence of other people, especially leaders, in the meaning creating process. Pfeffer (1981) also emphasizes that the manager defines and labels organizational realities, and gives them meanings that become shared in the group. Brown describes sensemaking as designing or tailoring our own worlds like clothes, but argues that, especially in formal organizations, these worlds are mostly given to us “ready to wear” (Brown, 1978, p.11). Discrepancies in understanding do happen within organizations, but these scholars emphasize that they are mostly due to different thought collectives or thought worlds (Douglas, 1986) that are created in different departments, functions, or managerial levels. In this view, it is the thought-worlds that drive the bracketing process of the entire group and cause a similarity of narratives within groups, but a variety of narratives from the same event across different groups.

Another line of scholarship emphasizes the differences in sensemaking between individuals as well as groups. They point out that many times, organizational group members disagree about common events and experiences so sense is therefore seen to be made on an individual level to a large extent (Weick, 1995). One explanation of how this individual sensemaking happens is that individuals often process incomplete or contradictory information, so there are distortions that come into the processing of such information, and these distortions vary from person to person (Dearborn & Simon, 1958). Another explanation for discrepant sensemaking can come from individual identity construction processes. People’s need to create and defend their identity affects how they make



sense of unstructured and ambiguous phenomena (Brown et al., 2008; Coopey et al., 1997). Brown et al. (2008) acknowledge that there is some shared sense in organizations and groups, but focus on exploring and explaining “simultaneously agreed and discrepant sensemaking” (Brown et al., 2008, p.1036). In a study of retrospective narrative sensemaking of group project members, they found that there was a common basic frame which the group members used to construct a particular story, but that this story was “embellished by individuals to make idiosyncratic sense, retrospectively, of equivocal actions and outcomes.” (Brown et al., 2008, p.1052). Furthermore, they found that individuals dealt with the ambiguity in their memories by coming up with versions of the story that supported a positive self- and public image, and that “instantiated and reproduced the macro-social order” (Brown et al., 2008, p.1054). If instances of individual sensemaking are, at least in part, reproducing macro-structures, this explains the similarities as well as the differences, since individuals will all be influenced by the same external norms, but will each have different understandings of what the macro-social order is.

Turner (2006), though writing in the area of micro-interactions, can contribute to an understanding of the underlying forces that drive individual sensemaking by looking at the forces that drive behavior (Turner, 2006). These forces are identified as: “(1) emotions, (2) transactional needs, (3) symbols, (4) roles, and (5) status” and are to be seen as independently occurring in face-to-face interaction (Turner, 2006, p.366). Similarly to Weick et al. (2005), Turner (2006) addresses the influence of met and unmet expectations. When expectations about what will transpire in a given scenario are met or exceeded, this causes feelings of satisfaction, whereas negative emotions are aroused when they are not met (Turner, 2006). Negative emotions can then be expected in situations of intensified sensemaking, denominated *shock* (Jensen et al., 2009). Weick et al. (2005) also touch upon sensemaking and emotion, and claim that the opposite can also be expected, that sensemaking in organizations will occur more around moments of emotional intensity. In organizational life, sensemaking and negative emotions may be especially relevant considering components of the second force, “needs for self-confirmation and verification”, “needs for positive exchange payoffs”, “needs for predictability and trust” and “needs for group inclusion” (Turner, 2006, p.367). When these needs fail to be fulfilled, negative emotions arise. These emotions are exemplified in relation to the “needs for positive exchange payoffs” by Turner (2006) who argues that expectations on intrinsic and extrinsic reinforcers should be met in order for satisfaction to ensue.



5.3 Sensemaking and Institutional Theory

Sensemaking and institutional theory perspectives are not often used in conjunction, but they are not in opposition. Both theories are logically compatible in their philosophical grounding and origin (Berger and Luckmann, 1966; Schutz, 1967). Furthermore, they share a common domain in social theories (Kjærgaard and Vendelø, 2008; Currie, 2009). There is however a difference in *agency* between sensemaking and institutional theory perspectives in that sensemaking focuses on individual agency in making meaning while institutionalists would say that there are some institutionalized macro-meanings which people receive and adopt more passively (Weick et al., 2005). Fligstein (2001) argues that institutional theory and analysis of macro events considers organizational members as being passive recipients who subscribe to readily available scripts that constitute the institution. The problem of agency can be addressed with an understanding of how macro and micro analyses are linked, for example, by investigating “how macro states at one point in time influence the behavior of individual actors, and how these actions generate new macro states at a later time” (Hedstrom & Swedberg, 1998, p.21), thus providing a richer analysis on multiple levels. Turner (2006) also writes about the relationship of micro and macro perspectives by arguing that macro events (institutional systems), constrain and affect microstructures and encounters directly, whereas the reverse relationship is less explicit. Turner (2006, p.361) writes: "It takes many micro-level events, iterated among large numbers of individual people over longer time frames to change an institutional system." He thus argues that the effect of macro on micro will be more dramatic.

Sensemaking theory can be used to fill the micro-macro gap as it focuses on micro-level processes, but can address organizational-level phenomena (Weick, 1955; Weber & Glynn, 2006). Combining sensemaking with the three constructs of institutional theory; rationalized myths, isomorphism and institutional logics (Meyer & Rowan, 1977), we are able to understand the organizational phenomena that are emergent in our case study, as well how employees make sense of their impact.



5.4 Summary of theoretical framework

The theoretical framework lets us understand the organizational phenomenon of increasing adaptability in a rigid environment. The attempt to increase adaptability in a rigid environment is thus the *context* in which the sensemaking processes occur, and thereby the reason for the outline of the theoretical framework. What we gain from the framework is; an understanding of how and why initiatives for adaptability are introduced in the first place, both to gain legitimacy as well as to conform to expectations, and how these initiatives might be decoupled from practices and the hypocrisy that may arise in these situations. To understand how organizational members relate to these organizational level phenomena, we bring in the micro perspective, which addresses how emotions are affected. Sensemaking theory allows us to understand the construction of meaning and expectations, as well as the processes in which these take place both in groups and individually. The individual sensemaking perspective is combined with some of the social forces that explain individual behavior. The last section combines the micro- and macro- perspectives in order to get a nuanced picture of their relationship. Institutional theory and sensemaking literature in conjunction provide us with a framework that is ample to facilitate an analysis on several levels.



6. Analysis

The analysis aims to dig deeper into key aspects of the empirical material in an interpretative way. Excerpts from the interviews held with different key personnel will be presented with the aim of telling the story of adaptability at Consumer Goods Inc. as they understand it. The *first section* will cover some of the issues that related to adaptability within the organization that have been re-occurring throughout the interviews. The main issues relate to; rigidity, slowness and silos within the organization. The *second section* will outline initiatives aimed at improving issues, as well as to increase adaptability generally. Some of the organizational tensions that occur during the mobilization of these efforts will be presented under this section as well.

6.1 Barriers for adaptability

When the topic of adaptability came up, our respondents had a tendency to present them in terms of problems, or *issues*. A of issues came up repeatedly in the interviews. In this section, we present those issues as they were described by the interviewees and analyze the effects they have. Some potential underlying reasons to the issues are explored as well.

6.1.1 The “slow” issue

The first of the challenges is the size and rigidity of the organization and the long processes that are necessary for decision-making. Elizabeth explains,

“I mean every time a decision is taken it goes through alignments, alignments and top, top <sighs>.” (Elizabeth).

“I mean if you're going to have a new launch, we don't launch it in 6 months, we don't launch it in 18 months, perhaps 24 months. So we have to think very long horizon.” (Helen).



Although we get the impression that both Elizabeth and Helen can be understood as optimistic, the topic of adaptability brings out a negative view that focuses on problems. They talk about an inability to get things done. The frustration that is expressed by Elizabeth and Helen is incontrovertible, and these commonly occurring expressions relate to one of the core elements of the ‘political organization’, in which decisions are made in a rational manner, but at the expense of enthusiasm connected to action (Brunsson, 1986). Lars has a similar understanding of the lengthy processes that take place during decision-making, and how that impacts their ability to act for the business.

“We are quite slow in some sense obviously, in terms of product development... We can't write anything on the product you know that has to be approved, approved, approved.”(Lars).

The need for approval and can be understood by the structure of the organization. As power can be described as centralized, there is a lack of adaptability. We observed a similar notion during our observation. One of the topics during a meeting was about how to respond to a reaction from the Nordic headquarters about a product’s performance. The fact that the discussion revolved around how to respond, rather than how to improve the performance suggests a clear hierarchical relationship in terms of authority. We do however acknowledge that it is likely that the performance has been discussed in other meetings.

Another interviewee finds some humor in the slowness of the organization, and he illustrates it with the example of a project about the plan to innovate.

“So we have a project that is two years to find innovation for the future. <all laugh> I mean no, no, no, no, I think we should innovate within two years. So that's the thing at Consumer Goods we make it a little bit complex.” (Henrik).

Our impression from the interviewees is that they regard the *rigidities* at Consumer Goods Inc. as unattractive and absurd, and that this causes a clash of expectation on the organization versus experience of practices. The construction of meaning amongst the employees incorporates the



process of *noticing* and *bracketing* (Weick et al., 2005), in the sense that they single out elements and disidentify with some of these, based on their thought worlds (Douglas, 1986) that does not include the unattractive attribute of rigidity. This contributes towards the construction of individualistic identities from that of “the rest of the organization”. Interestingly though, this phenomenon coexists with the contemporary initiatives to increase flexibility, providing us with skepticism towards the anchoring of said initiatives.

“In one sense I'm not so much “Consumer Goods”. I could take a decision “OK let's go for that” “now but have you calculated on that?” “No I don't I don't think we need to”.” (Timothy).

Henrik ridicules certain characteristics of Consumer Goods Inc. and suggests that the company needs to go in a different direction.

“I mean we have talked about dry shampoo for four years now. Four years! We still haven't launched anything. Due to, well...we don't have the resources, we don't have the key accounts, we don't have the... <laughs> we have so many don'ts in Consumer Goods [...] We have to think more “start-up” and less the traditional way of working, in the future.” (Henrik).

The respondents' seem to view the processes as the opposite of adaptable. Henrik expresses a lack of enthusiasm on product development. A reason for this is understood by Timothy to relate to a decoupling (Mayer & Rowan, 1977) of talk versus action, where action refers to the reduction of unnecessary processes.

“We need to remove things on your agenda and put in new otherwise there will not be any change. So I think it's more up to now more talk but less walk. And that's my opinion.” (Timothy).



In this case, Timothy explicitly calls out the organization for hypocrisy. We understand that the respondents view decoupling of talk and practice as an issue. Decoupling provides the organization with legitimacy in the sense that adaptability is *talked* about at least (Mayer & Rowan, 1997). The implications of failing to actually implement decisions that are talked about and the hypocrisy that it leads to, can however be argued to outweigh the legitimacy of the operations, as it causes discomfort, depression and a sense of incompetence (Brunsson, 1986). Anders shares his view on how these lengthy processes came to be - they can according to Anders be explained by the accumulation of data over time that he suggests is too comprehensive.

“Since it's a global brand if something goes wrong in Sweden, it might trickle over somewhere else. And if that happens of course you have... Global issues really go very quickly and down in the center you'll see all these [issues] [...]. You can then set stricter and stricter rules, more and more standards, more and more policies and guidelines.” (Anders).

These policies, which are caused by external pressures, are perceived as hindering for business, even though they provide support. This is furthermore an issue that Anders' unit seems to have come farther in combating. He explains that they are starting to realize action against time-consuming processes, and rather struggle with dismantling processes on which they rely.

“People have put their heart and soul to into it [policies and processes] to build a system which is very rigid from an ISO and audit standpoint but from a consumer customer perspective - OK what's the gain in that then?” (Anders).

As they are reducing processes and increasing simplicity, they need to get rid of a lot of policies that have taken time to establish. Anders thus describes a situation where the coupling between talk about simplification and action is coming together. Meyer and Rowan (1977) argues that this would be a source of uncertainty and conflict in organization. But this is not always the case, as Hallett (2010) exemplifies in his study. In our case, Anders does imply that there might be discrepancies within his unit during the reduction of the processes that have been costly to implement. He



explains how the rigid system has advantages, but expresses a certain rationale when addressing the consumers role in their business, which, in this large organization can be deemed quite reflective.

Lengthy processes were also pointed out to get in the way of collaboration which both empirically (at Consumer Goods Inc.) and theoretically is stated as a source of flexibility (Troy et al., 2008; Burton & Obel, 2018; Luo et al., 2006). When speaking about how one function, sales controlling, is supposed to support the other functions, Mikael recognizes that some bureaucratic processes get in the way.

“They are overloaded with all the reporting, all the things that they need to put in the system etc., so they're really not delivering and it's not their fault.” (Mikael).

This issue with collaboration bridges over to another salient barrier for adaptability at Consumer Goods Inc., namely collaboration.

6.1.2 The “silo” issue

The interviewees consistently talked about a need to collaborate more and all brought up a dominant presence of “silo-thinking” in the organization, between products as well as functions. Kristoffer illustrates the extent of the silos and how they have affected him.

“When I started here ten years ago I panicked because I didn't know what our product was costing, you know the in-price for our product. I'm supposed to sell but I need to know...what do they cost! And procurement, it's like small hubs sitting around in clusters around the world. You don't talk to them, you don't see them, no nothing.” (Kristoffer).

Similarly to how they experience the slowness of the organization, there is some sense of gloom and frustration about the experience of working in silos. There were some commonalities between



how the interviewees talked about the state of collaboration at Consumer Goods Inc. First, they all described the experience of a lack of collaboration to one degree or another, although some saw this more negatively and assigned more importance to it than others. They used similar language, that of “silos” to describe the situation. The following quote is taken from Helen, but a very similar description was given by most other interviewees.

“We have these silos between functions, and silos between categories instead of working together as one Consumer Goods Inc, with all the strength that you can have from that.” (Helen).

In addition to experiencing “silos”, Helen expresses that the organization is missing out on something as a result of the silos, although exactly what the “strength” means for the organization is ambiguous.

We take the similarities in how organizational members describe the absence of collaboration as evidence of common sensemaking, since labeling and communicating are important moments in the process of sensemaking (Weick et al., 2005). The salience in the target focus suggests a local institutionalization of these systems. When further analyzing the need for collaboration, some normative and mimetic pressures surface. For example, Lisa states:

“Our competitors they are not working as much in silos as we do.”
(Lisa).

The comparison with other firms is a form of mimetic pressure towards the institutionalized norm, in this case of the adaptable organization characterized by agility and speed (Palmer, Dunford & Akin, 2006). Although Lisa does not constitute the entire organization, her meaning making on this topic seems to be widely shared by other members of the organization, and this kind of logic is not in isolation. There are however ambiguities that emerge when describing the positive outcomes of bringing down silos. Henrik’s view on collaboration is optimistic, but vague.



“We could survive or we will survive even though we're two different organizations [referring to two products], but I mean to be stronger, better to have the same. Then you have visions, you have goals.”

(Henrik).

Another example of lack of collaboration comes from the sales team which is largely excluded from the rest of the organization due to the structure and setup.

“You can say, you can see me as an external delivery company. What you pay is what you get. [Is that ideal for an organization like this?] - No, but you have to like it. But it works good, but I think it could be better.”

(Jan).

Although we are told that Jan and his team identifies with Consumer Goods Inc. as an organization, he suggests that other units do not think the same way as he does, which could be a result of the independence of the silos.

“Sometimes you talk to the [product] categories, and you think, “How do you think?!”” (Jan).

When asked about the reasons for working in this way, most interviewees pointed to the organization’s structure and target-focus, and conflicting targets between departments that cause them to pull in different, sometimes opposite directions.

“When you're in your silo and everything is green, the other silo next to you things might be red, as a consequence of all my green KPIs (Key Performance Indicators). And it's difficult. You have to get quite high in the organization before you have somebody who has the big picture of all of it.” (Helen).

Similarly, When asked about what is stopping a desired form of collaboration, Lars answers:



“This structure that we have today - we are focusing on our targets, reaching our goals etc. I don't have any goals that are in the direction of feeding retail with anything so yeah, that's stopping. Our targets are for Shampoo Gold and not for Consumer Goods whatsoever, so it doesn't interest me in that way [...] Everything from non-retail for once is green and retail is red all over. So we're happy, they're not happy.” (Lars).

Lars identifies the target focus as a reason for the lack of collaboration, but at the same time does not seem to express any interest in the other team's performance, instead he rationally explains that his team is performing well. With this, he is almost suggesting that there is a competition that his team is currently winning. There were other instances in which people defended targets while simultaneously blaming them for a lack of collaboration, and therefore adaptability in the organization. Anders stands by the goal orientation:

“Consumer Goods Inc. is a result driven company and over the years you recruit based on what was earlier defined as a high performing culture. So of course being able to deliver stretched targets and overachieving on those is of course a key success factor within Consumer Goods Inc. absolutely, so results is very important, it is.” (Anders, 2018).

Those who defended targets saw that a potential solution to the collaboration problems is to work on alignment of targets. That would allow the organization to keep the target-focus which they earlier described as problematic.

“We like to avoid conflicting targets, that one person would say ‘No I don't agree with that we should go in that direction because that will hit my target negatively’.” (Mikael)



“They had some KPIs and the sales had other KPIs, supply had also other KPIs, and that's really challenging when you don't want, we don't have full alignment.” (Timothy)

“Sure there are barriers, I mean the different budgets, and there are different targets. And what we've started just a few years ago was to have goal alignment so that everybody knows that my target supports the total target” (Lars).

Similarly to how targets was a consistently important topic of discussion for our interviewees in relation to adaptability, the need for alignment was emphasized throughout all of the interviews. In addition to targets as barriers for collaboration, direct practical implications of targets were discussed.

“Well we've had several occasions with the last years where for example targets are set to procurement divisions that they need to save a certain amount of money. Therefore they start challenging all the specifications as they should. Then by doing that you take out a lot of the margins as well and the thinner the margins the thinner the process parameters are set so then as soon as you go outside those you'll start seeing issues you didn't have before on the lines..which is not good.” (Anders).

When asked about how targets affect collaboration, there was a frequently mentioned story of when Shampoo Bronze ran out of stock. These excerpts are from how Lisa and Helen perceived what happened.

“If you're only focusing on and having low stock, for example, in the supply chain organization. But that effort leads to out of stock, lost sales. That was a huge issue last year and so that's something that we need to overcome, and I think now we have made changes.” (Lisa).



“[...]but how much sales did we lose? It's really tricky to calculate. So we might be doing fine on stock cover, but we lost a lot of sales. And maybe we lost it to competitors...I'm now referring to an actual case for Shampoo Bronze, it's really really difficult, I mean, we were struggling for quite some time last year.” (Helen).

Mikael also expresses an inclination to prioritize his own targets above that of others, potentially at the expense of both opportunities for synergetic collaborations.

“When the category is saying “We want you to push extra volume in order to reach to our Nordic topline” and we're saying “Well come on, we don't care about a Nordic top line, I have a target that I should deliver certain margin from my customers”. (Mikael).

Mikael illustrates how targets have the potential of causing discrepancies in the sensemaking of organizational goals. Not only when there are divergences in targets within a team, but also when the importance of targets escalated to the point of tunnel-vision, causing some sort of ignorance to the actual purpose of the business. Elizabeth similarly makes sense of targets as drivers of behavior.

“If we could decide everything, we could control the accuracy [of forecast], but since so many other people are controlling the forecast, our influence is very little. And if they do not have the same target, it becomes difficult”. (Elizabeth).

She sees the fact that other people can influence the accuracy of the forecast, which is her target, as problematic because they do not have the same target as she does. Their ability to work together seems to be dictated by the target according to a majority of our respondents.

It is clear to us that targets and goals are important for the employees, as each one of them brings it up without us asking. However, some of them seem to ascribe value to collaboration that exceeds



the importance of their target. They express an inclination to overcome the organizational structure if necessary to reach what they see as an organizational need.

“Because when you get too detached from the <bangs on table> the customer and consumer... If you forget about them, you start taking decisions that are not particularly good.” (Helen).

During our observation, we noticed how Helen enacted this kind of rationale by mediating between different attendants from different functions, while emphasizing the need for adapting to new customer trends. Another interviewee, Henrik, highlights the need to look past the organizational structure and the targets that come with it.

“That’s why we’re working together even though we don’t have the same line managers or KPIs, because shampoo is shampoo.” (Henrik).

Anders also tells a story revolving around the overcoming of targets and structures to do what is “right”.

“There’s a lot of good people working, they do care for the shampoo brand, that things do work out. As I remember in 2016 for example the entire factory management team they took a step aside from all their personal targets to do what was right.” (Anders).

Timothy explains that his inclination to overcome the structure derives from a will to do what he thinks is right for Consumer Goods Inc., thereby somewhat neglecting his targets.

Perhaps some would say yes I’m bonus driven, but I don’t like the way that we are working with bonuses here. I’m to some extent bonus driven but I’ve put it aside here. [...] “It’s not my responsibility but I’m still going to run a project where it involves others.” (Timothy).



The process of sensemaking can explain the discrepant narratives that are created by individual meaning constructors (Brown et al., 2008; Coopey et al., 1997). In line with this, the identity that Timothy subscribes to takes *targets* into less consideration than some of the other respondents. Helen also expresses a desire to tear down silos in favor of positive business outcomes.

“So for the next sales meeting we had a joint workshop together... And if you have kind of a similar setup and the same problem, why not solve it in one workshop.” (Helen).

In spite of the differences in opinion on targets and goals, all of our respondents had a positive attitude towards increasing collaboration for the sake of adaptability in the future.

“I think we can see more of [collaboration] in the future, I hope we can see more of this in the future”. (Lars).

6.1.3 Summary of adaptability issues

This section, covering issues with rigidity, slowness and working in silos, is a springboard for finding both commonalities and deviances in the perspectives of our interviewees. We have explored elements of the political organization, a lack of enthusiasm, and inability to act causing deviances in identification. Furthermore, perceptions of reasons for the lengthy processes, such as legitimacy, were identified. We then transitioned into the domain of silos and the lack of collaboration that seems to inhibit adaptability at Consumer Goods Inc. These separations beget independence and deviating visions and attitudes, and partially stem from targets and structures as explained by our respondents. The macro perspective incorporates the goal and target focus on an organizational level, and we saw how these constrain microevents and interactions, causing ambiguities in sensemaking on the individual level. We explored these ambiguities by interpreting the individual narratives of how targets affect work, and made observations of the salience targets have for different individuals. The salience in the goal orientation in some individuals, combined with the individualistic nature of their construction, decouples concrete goals from talk and efforts towards adaptability (Mayer & Rowan, 1997). This sense of organizational hypocrisy creates



situations where discrepancies between expectation and experiences arise, providing further basis for divided sensemaking and unshared visions, which is explicit during some of the interviews.

6.2 Efforts towards adaptability

As described in the methods chapter, Consumer Goods Inc. has recently made efforts to increase adaptability. This section outlines some of those initiatives from the perspective of our respondents and how they perceive them. Parallels to some of the challenges they are aimed at combating are made, and their perceived salience are interpreted. Parts of the picture that will be painted is explicit, meaning that the respondents have a clear and direct way of expressing themselves. The other parts are not as clearly communicated, and can rather be understood in alethic hermeneutics by how the respondents explain their role in the organization, and how they view other parts of the organization.

Something that all of our respondents can relate to to some degree is the phrase “Simply Better Together”. The phrase was introduced “*a couple of years ago*” and can be seen in several contexts ranging from internal documents, to points on meeting agendas, and is prevalent in all Nordic countries. When asked about the initiative and what it means, we heard several interpretations ranging widely in ascribed importance.

“I think it's more of an expression for that we are four countries sharing one market and one reporting line to head office. And if we want to be successful and survive in the ‘New Reality’ we have to work simpler. We have to be better. And we have to do it together.” (Mikael).

Mikael is one of the employees who values the phrase and its significance, constructing and ascribing *meaning* to it.

“Yeah we talked a lot about “Simply Better Together” and it's almost like the theme is more or less in everything we do. For instance the document you saw, this one <points to paper>, it's almost written, this is



a document for commercials. For 2018 where we're set up under "Simply Better Together" with what we want to achieve overall, and then we're linking that to targets and <inaudible> to initiatives that we will drive during this year in order to deliver on the targets." (Mikael).

When asked what he thinks others make of it, he seems positive at first,

"I think it has united us. Better than before. And you can clearly see people are talking about it and they're linking things we do to these three words, which is good I think. This is like the glue that brings us together. In a stronger way than before." (Mikael).

But inconclusive.

I think, there is still people out there who don't don't really, cannot give you a clear definition of "Simply Better Together". Even though they have seen it a hundred times in different meetings and different presentations in different information meetings etc. I'm not sure that they can clearly tell [...] I would guess that there's still some 10-20 percent of the people that don't really care. About this "Simply Better Together" thing. "Doesn't concern me, I'm doing my job". "I would continue with my job"." (Mikael).

Timothy is very positive towards the initiative. Not necessarily because it has changed his way of working, but rather that it seems to be a good fit for him.

"Well for me [Simply Better Together] is super, super important. In my world it's super, super important because if we don't do it together I will have a problem. It's those changes built around working together. And for me as a person I like to work as team because if you work good



*together you can reach better results. So for me there's a good fit.
 Between how I would like to work exactly.” (Timothy).*

Lisa finds humor in the focus on the slogan, but at the same time says that she sees a purpose and the value in the phrase. When asked about it, she says:

*What should I say to be politically correct <bursts into laughter>.
 You have it on tape! <Laughter> [...] But I think, I mean it's for a good
 sake, and I kind of like, because I think sometimes when we create kind of
 visions, ambitions and so we have so many words and I think it should be
 something that everybody can wake up in the night and they recall, they
 know, and you feeling engaged and makes you want to go the extra mile,
 so I kind of like it in that sense it's simple that everybody knows it you
 can have a bit about it but it's still something that's that sticks into your
 mind.” (Lisa).*

Not everyone makes sense of the initiative in the same way however.

*“To me that's been a bit of a slogan, and I think we try to push things into
 it to make it fit. Together, I mean if we do work together, we should be
 stronger. I mean I want us to work together in Sweden. And we should try
 to work together on a Nordic perspective.” (Helen).*

When asked if it has had any impact Helen answers:

*Not that I have seen. No. It's more, for me personally, it's more of a
 slogan that somebody came up with. And then they're, I mean it makes
 sense. So I don't think there's anything wrong with it. But I don't think
 that I've seen a lot of things...” (Helen).*



We understand that issues with working in silos, and having different targets that permeate so much of their work renders the initiative weak. In order for action to ensue, there needs to be coherence between policy and practice (Brunsson, 1986).

Another initiative towards adaptability is called the “New Reality”. This is a fairly new initiative that the employees do not have concrete experience of, but when we brought it up, they each had different views and understandings of what it would entail. From Paul’s perspective, the initiative is about Consumer Goods Inc.’s need to change to adapt to emerging competitors and market trends.

“If I understand the “New Reality” right, the one that Mikael spoke of, I think is that if you look at Consumer Goods as a big tanker ship, really heavy to turn around in small ports and stuff. Then you have a lot of small players that are like smaller racing boats, working with innovation in a different way, working with adaptability to market in a different way so there's a lot of change going on in the markets.” (Paul).

Paul constructs meaning of the initiative by putting it into the context of how he views Consumer Goods Inc., relating to the rigidity prevalent within the organization.

When another of our respondents, a manager, is asked about this internationally wide initiative, he responds:

“Oh that’s a Consumer Goods Inc. ...[project]? I don't know much much about it [...] I mean I read newsletters from from Consumer Goods from different you know, platforms etc. but I don't think everyone does that. So, awareness of what Consumer Goods does as a whole I wouldn't say, you know we're not very good at that.” (Lennart).

Several of the respondents create distance between themselves and international efforts that come from the top and are aimed at the entire company, regardless of what they are about. The kind of



discourse that emerges during these topics can first off be seen as a result of the disconnection of their unit from the rest of the company. On a deeper level, we see that the decoupling contributes to a reinforced disconnection by the simple mentality that projects are deemed “irrelevant” simply because it is supposed to affect the entire company, with which many of our respondents do not identify. This conundrum can be understood as somewhat of a catch 22. In order to increase adaptability through collaboration and unity, the organization needs to encompass and reach out to all members, but the fact that it is company wide decreases receptivity, rendering the message weak.

One of the discussions about increasing cross-functional collaboration that has recently become *action* is that of the ‘Value Stream Team’, which serves the purpose of overseeing the entire value chain by bridging functional units within one of the shampoo brands. Although the initiative triggers positive attitudes when talked about during our interviews, some practical issues that arise were also discussed. These practical issues relate to the independent procedures that are carried out within what the respondents denominate “silos”. Timothy explains that with each unit the value stream interacts with, they are met with the same reluctance to cooperate:

Fixed costs [as an example] is a big area and it involves several managers and several fields that I'm not responsible for. So let's say that you are responsible for the factory. And I ask you “Can we go through your fixed factory costs to see if there are any possible savings?” and you answer “Is that your responsibility Timothy?” - “No, but I'm running a project so we will look into that... And let's say we look into Henrik, “I would like to look at your marketing spendings - are there any savings that we can do more efficient?” And - “You're not responsible for marketing” - “No I know that but I'm running a project.” (Timothy).

Timothy mentions that he is sometimes faced with answers that a similar project (to that of his own) is already ongoing within a unit. These “dead ends” that he encounters limit his ability to fully make sense of the initiative, and a lot of uncertainty of its meaning remains. Weick et al. (2005) write about how in the search for meaning, employees settle for what is plausible, and move



on. In this case, in which there are obstacles, the plausible meaning of the initiative is limited, and Timothy's action in relation to this project is in turn limited.



7. Discussion

In this chapter, we address and discuss two prominent findings from the analysis. We *first* discuss how the adaptability initiatives contribute a certain politicization of Consumer Goods Inc., and the effect this has on how employees make sense of adaptability. We also look into the how the very nature of adaptability may contribute to uncertainty, furthering the inconsistencies which intensify sensemaking by the organizational members. *Secondly*, we introduce a model that describes how two macro events, norms about adaptability and goal orientation, have sometimes competing influences and constraints on individual sensemaking.

7.1 Making sense of a more adaptable or political organization?

The way organizational members are making sense of initiatives toward adaptability is influenced by an increasing tension between the *action* and the *political organizations* described by Brunsson (1986) at Consumer Goods Inc. We suggest that tackling issues with inherent contradictions, such as adaptability, has some politicizing effects on the organization, and that the uncertainty this intensifies sensemaking. In some ways, Consumer Goods Inc. fits Brunsson's (1986) description of an action organization. As presented in the analysis, there is a clear goal orientation that drives the organization, or at least each department to action. Furthermore, there is a clear hierarchy, which is used in action organizations to avoid conflict and direct the organization toward results (Brunsson, 1986). However, when the topic of adaptability came up, we found more explicit efforts at sensemaking than would be expected from a situation in which some certainty is provided (Weick et al., 2005), such as goal orientation and hierarchy. We identified these efforts at sensemaking in relation to elements of the *political* organization that began to surface. The first of these is that adaptability was talked about in terms of the organization's issues - rigidity, slowness, and silo-thinking. This is in line with what Brunsson (1986) describes as a problem-orientation that increases the organizational members' awareness that things are wrong and should be changed. Frustrations, and the depressed attitudes that Brunsson (1986) described also surfaced in relation to adaptability. We also observed some hypocrisy, another characteristic of political organizations that need to reflect conflicting norms (Brunsson, 1986). Throughout the analysis, we have presented how members of Consumer Goods Inc. described their organization as unadaptable in



many ways, while at the same time either describing or exemplifying efforts to become adaptable. There is clearly “talk” about adaptability, and the beginning of some action toward it. There are also examples of gaps between this *talk* and organizational- as well as individual *action*, for example the persistence of slow decision-making processes and a goal orientation that works against efforts for collaboration.

The organizational members needed to struggle to make sense of the differences between talk and action. We saw that sensemaking was intensified in how they used time to deal with the ambiguities introduced by the organization’s politicization. Because sensemaking is retrospective, as patterns can only be seen retrospectively (Weick, 1995), they were able to use the past to deal with the ambiguities that arise with adaptability-talk in a rigid environment. When describing past events, our participants focus on the organization’s issues, for example with the conflicting targets and “out of stock” story. What is selected and made essential in that story is influenced, shaped and constrained by what is happening in the organization today, including the push for collaboration and adaptability. Perhaps the retrospective narrative would have been different if it was not told in light of contemporary adaptability discussions. Similarly to Brown et al.’s (2008) study, there was a common frame with which the organizational members constructed the story. In this case, that frame partly came from the organization’s current talk about being more adaptable. The event of being out of stock was presented as a case of a lack of collaboration, but there are arguably other versions of the “out of stock” story that could have emerged. The present is thereby influencing how they make sense of the past, and the reverse as well; past events are being used to make sense of the current adaptability efforts and the contradictions therein. Furthermore, because sensemaking is about plausibility (Weick et al., 2005), they were sometimes able to use the future to deal with ambiguity. Although they were negative about the adaptability issues discussed previously, they were for the most part hopeful about a future with more adaptability for the organization. Many interviewees were more likely to be critical of the organization’s rigidities in the past, while emphasizing current efforts for a more flexible future. This tells us that, to some extent, the adaptability initiatives provided a plausible understanding (Weick, 1995) of the future of the organization. As Brunsson (1986) argues, we see that the politicization of an action organization makes it less able to act and decreases enthusiasm amongst its employees, but placing negative events in the past and positive ones in the future could be a way for the organizational



members to make sense, and thus suppress the lack of enthusiasm that occurs during the politicization of the organization (Brunsson, 1986). However, individual levels of enthusiasm, and individual sensemaking, were influenced by more than the presence of elements of the political organization. Individual levels of frustration varied, as individuals had different ways of making sense of them. In the next section, we discuss the differences in how individuals made sense of adaptability initiatives.

7.2 Receptivity to efforts towards adaptability - Macro events in conflict

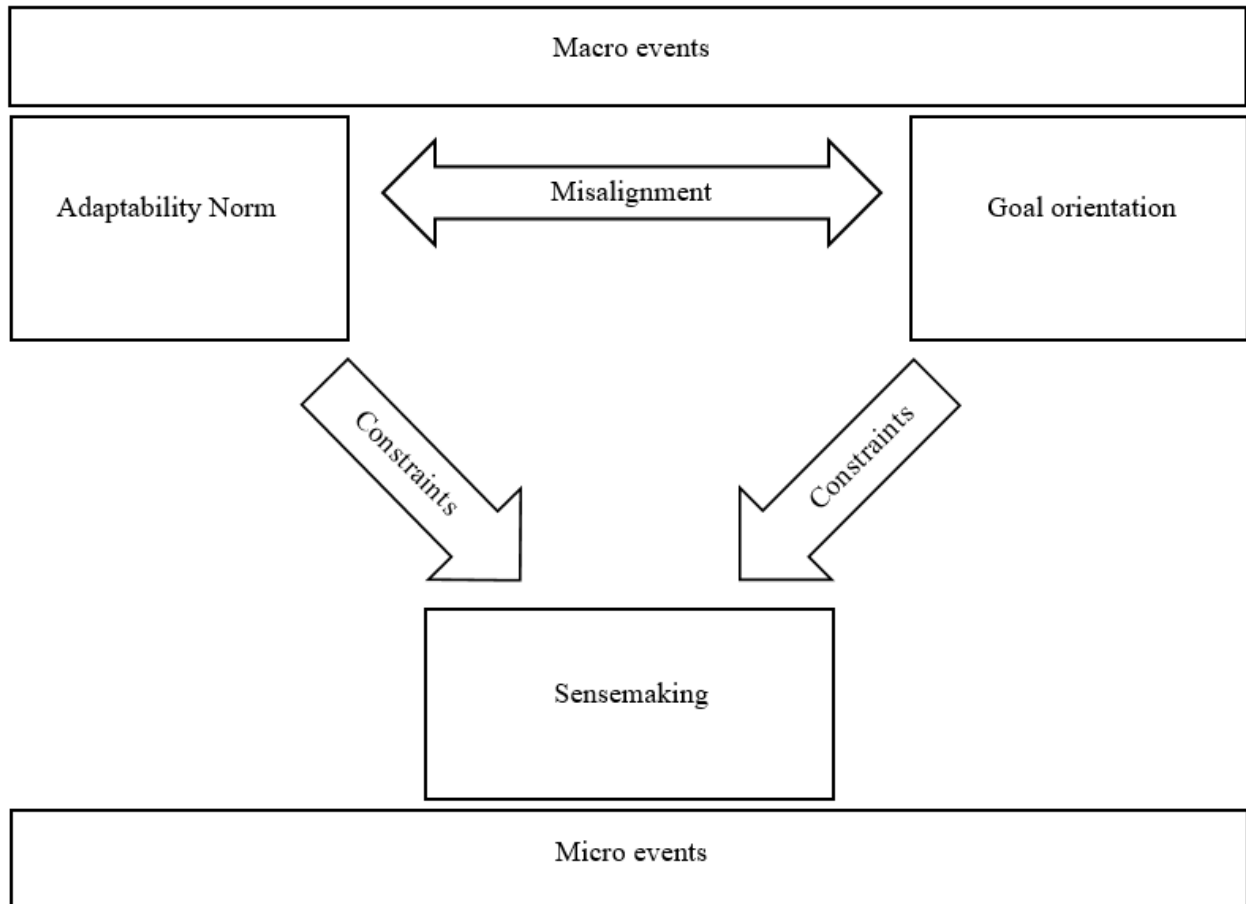
On the surface, the Consumer Goods Inc. organizational interviewees we spoke to seemed more than ready to accept organizational initiatives toward adaptability. As presented in the analysis, they mostly had positive things to say about “Simply Better Together” and the “Value Stream Team.” In regard to the “New Reality,” although they were not aware of the specific initiative, most people spoke of needing to prepare for what they understood as a “new reality”, which was described in terms similar to the previously discussed “fast capitalist story” (Gee et al. (2018). This discourse, the generally positive attitude toward adaptability, and the comparisons to other organizations that emerged during our interviews, tell us that there are some institutionalized *macro constraints* at work on *micro understandings* (Turner, 2006). The norm of adaptability is thus influencing individual interpretations of what the organization *should* be like. However, there are some problems in our empirical data for the claim that the institutional norm of adaptability is making individuals ready to adopt efforts to change. Although they said the organization should be adaptable, some showed an unwillingness to act on this idea of what should be, for example with the persistent focus on personal and departmental targets. There is, in a sense, a competing norm of goal orientation versus adaptability. These two sometimes conflicting *macro* ‘forces’ of adaptability versus goal orientation influence and constrains the microinteractions and sensemaking. Brunsson talks about justification as an alternative strategy to hypocrisy, arguing that “actors and executives often find themselves compelled to defend actions that they may not even approve of any more, but which cannot be changed.” (Brunsson, 1993a, p.502). Although we saw elements of hypocrisy in our case, there were also elements of justification, especially when the respondents did not seem to reflect on the situation. For example, some justify the target-focus of the organization by highlighting them as motivators and necessary, but at the same time they



identify targets as a barrier for collaboration. This suggests that targets constitute a goal orientation which is a macro event that is internalized in the individuals, thereby constraining how they make sense of the issues that interfere with adaptability. They justify the prevalence of targets because the target focus is internalized to a high degree. This is however subject to individual interpretation, and our respondents express a wide range in how salient the targets are for their work, and by extension, to which degree they justify them. When adaptability was not compatible with goal orientation, organizational members diverged in their sensemaking. We suggest that some organizational members used structures and established practices, such as targets, to deal with ambiguity of what should be done, and to make sense of their role. In this case, the micro perspective provides some insight into why the macro norm of adaptability is not enacted. Some individuals' sensemaking is, in a sense, a barrier for their expressed desire, because what they desire (adaptability) is more ambiguous than the established structures (targets), and it is important in sensemaking to reduce ambiguity (Weick et al., 2005). This could be another reason for the justification of targets. In this situation, we can see that microevents such as ideas for collaboration are constrained by the macro perspective (organizational-level) on the target focus (Turner, 2006). These individuals are therefore inclined to subscribe to the constraint on the right side of the model (see figure 1.) But this was not the case with all of our respondents, and this is a clear crossroads for some individuals. Daniel, Timothy, Anders and Helen are all less inclined to resort to individual targets when asked about collaboration. To them it seems secondary in favor of increasing adaptability to improve the business. Although targets and goals can be understood as the articulation of an organization's vision (Ferreira & Otley, 2009), which can be expected to influence sensemaking, these individuals did not use targets as a cornerstone in their sensemaking as much as the other respondents. They can therefore be understood to have understandings of their role and the organization's vision that go beyond that which is articulated in the target. What is interesting is that even though these respondents might appear more motivated by something less extrinsic than articulated goals, their way of talking about the issues can be characterized by *overcoming*, and working *against* the organization. Rather than holding on to the structure to reduce ambiguity, these interviewees held on to the ideals of collaboration and flexibility. These individuals are inclined to subscribe to the constraint on the left side of the model (see figure 1.) This divergence in making sense of two macro forces, adaptability and goal orientation, supports

Fligstein’s (2001) argument that organizational members are not passively receiving meaning, but are active in creating it.

Figure 1.



Competing macro events (in our findings these are; a) goal orientation and b) a norm towards adaptability) constrain and influence micro events (individual sensemaking processes). Individuals are likely to feed one of these competing macro events more than the other, and are therefore influenced and constrained by that particular macro event to a higher degree than the other.



8. Conclusion

This thesis investigates how organizational members make sense of the tensions inherent in efforts towards adaptability in the context of a rigid environment. We have explored a large, complex organization by conducting interviews and making observations with the purpose of understanding how our respondents make sense of attempts at increasing adaptability in their currently rigid environment. We had a preunderstanding that the efforts towards adaptability would be contradictory to the rigidity in our study site, and found this to be true in our interviews and observations. We were then able to analyze how organizational members make sense of these contradictions, and have two main concluding thoughts. Firstly, we found that introducing adaptability initiatives politicized the organization, and that sensemaking was intensified by this politicization. The contradictions inherent in adaptability, as well as its contrast with the current rigidity of the organization, introduced the following elements of the political organization described by Brunsson (1986): a problem-focus, low enthusiasm, an inability to act, and a degree of hypocrisy, or decoupling between talk and action, all in relation to adaptability. In making sense of the inconsistencies in politization and to minimize the frustration and depression it brings, organizational members placed rigidity in the past and adaptability in the future.

Secondly, Turner (2006) argues that macro events (institutional systems) constrain and affect micro events (sensemaking processes). We propose that this relevant in our context. However, we identify conflicting macro events that provide individuals with different foundations that influence micro events and interactions. The implications of this is that competing macro events are a source for divergence in sensemaking, creating different narratives that may lead to the fragmentation of an organizational vision. For practitioners, this suggests that contradictory macro events should be avoided not only because it creates ambiguity, but also because it limits how employees think about the situation, and pushes them in different directions. We suggest that further research is done on this phenomenon in order to explore if this finding is generalizable to any extent, as our contextual elements may be the specific condition for these findings to emerge. Initiatives towards adaptability are a source of inconsistencies not only because of the contradictions in the concept, but especially when it clashes with current ways of thinking in the organization. Future research is needed to explore when taking on such contradictions is worthwhile for organizations.



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10. Appendix - Interview Guide

In our semi-structured interviews, we covered the following general areas:

1. Tell us about your work and how your role fits into the broader organization
2. What do you make of the “New Reality”?
3. What does simply better together mean to you?
4. How do you work with other functions? People outside of your team?

Follow-up questions depended upon their responses and the topics the interviewees themselves brought up. When the following topics were brought up, we asked the corresponding questions.

1. Working in silos
 - a. Why do you think it is this way?
 - b. How would you like collaboration it to be?
 - c. Would you benefit from working with other functions or categories?
2. Targets
 - . How are you personally influenced by your targets?
 - a. How are your targets decided upon? Do you have a part in making your own targets?
 - b. How do you think targets influence others in the organization?