Sensemaking and sensegiving
A concept for successful change management that brings together moral foundations theory and the ordonomic approach

Matthias Georg Will
Chair in Economic Ethics, Martin Luther University Halle-Wittenberg, Halle, Germany, and
Ingo Pies
Faculty of Law and Economics, Martin Luther University Halle-Wittenberg, Halle, Germany

Abstract

Purpose – Change management projects typically fail because they meet employee resistance created by emotional sensemaking processes. This paper aims to present an in-depth explanation for these failures and how change managers could avoid them.

Design/methodology/approach – This study presents an argument in the following three steps: it begins with an empirically well-established fact that attempts at change management often trigger negative emotional responses; the moral foundations theory is then used to identify the typical categories of emotional responses that may result in resistance to organizational change; and the ordonomic approach to business ethics is built upon to substantiate the diagnosis that, in many cases, emotional responses cause employees to behave in a way that is collectively self-damaging.

Findings – The core idea of the current study’s contribution is that emotionally driven processes of sensemaking can easily become dysfunctional, especially in situations that require extensive change. Consequently, it should be top priority for managers to engage in sensegiving, which comprises: narratives that explain what is going on against the background of relevant alternatives and appropriate discourses that guide how employees form their expectations. In a nutshell, sensegiving attempts to reframe sensemaking processes.

Practical implications – Even if a win–win potential already exists, it can still be misperceived. If employees are used to thinking within a trade-off framework, this might trigger trade-off intuitions and negative emotions, in effect leading to a situation that makes everyone worse off. Such mental models might become a self-fulfilling prophecy. To counter such a tendency, sensegiving aims at a professional management of sensemaking processes. The task of successful change management, properly understood, is to create and communicate win–win potentials, ensuring that all parties involved understand that they are not asked to sacrifice their self-interest, instead they are invited to participate in a process of mutual betterment.

Originality/value – The literature on sensemaking draws attention to the empirical fact that resistance to change is typically driven by emotions. The moral foundations theory helps in exactly identifying which emotional dimensions are relevant in times of organizational change. The ordonomic approach to business ethics points out that – owing to their emotional nature – processes of sensemaking might fail, that they may mislead employees into behavioral patterns that are collectively self-damaging. Therefore, a top priority for management is to engage in sensegiving, that is, in (re-)framing sensemaking processes.

Keywords Organizational change, Resistance, Sensemaking, Sensegiving, Moral foundation theory, Ordonomics

Paper type Conceptual paper
1. Introduction

The literature on change management reflects the empirical fact that projects attempting to create extensive change have a low probability of success: many projects cause serious inefficiencies or are downright failures (Capgemini Consulting, 2010, pp. 79-83; Shin et al., 2012, p. 727 and Zhang and Rajagopalan, 2010, pp. 342-344). This has led to a critical discussion emerging in the field of organizational change (Burnes and Cooke, 2012, pp. 1416-1417; Ford et al., 2008; Oswick et al., 2005, p. 384; Sturdy and Grey, 2003, pp. 654-656; Will and Wetzel, 2018). Sturdy and Grey (2003, pp. 654-656), for example, criticize the “pro-change” bias inherent in many change management concepts. They argue that scholars who are focused on theory and change managers, who dwell on practical applications, typically put a positive connotation on change. As a consequence, theories and practical concepts of organizational change may have a weakness in not taking seriously the fact that employees are usually much more critical in how they perceive organizational change. We advocate the following three steps to counter this weakness.

Section 2 provides an overview of sensemaking research (Kumar and Singhal, 2012; Maitlis, 2005; Weick, 1988; Weick, 1993; Weick, 2011; Weick et al., 2005), which tries to explain the success or failure of change management projects by identifying different factors influencing whether employees perceive organizational change positively or negatively. The central finding is that employees’ resistance to change is often triggered by negative emotional responses.

Section 3 draws on the moral foundations theory (Graham et al., 2009; Graham et al., 2011; Graham et al., 2012a; Graham et al., 2012b; Haidt et al., 2009; Haidt, 2012; Haidt and Trevino, 2017; Iyer et al., 2012) to identify and systematize six emotional dimensions that may drive employees’ resistance to change. We find that employees typically may make use of dimensions of care/harm, liberty/oppression, fairness/cheating, loyalty/betrayal, authority/subversion and/or sanctity/degradation to make sense of organizational change.

Section 4 builds on the ordonomic approach to business ethics (Beckmann et al., 2014; Hielscher et al., 2014; Pies et al., 2009; Pies et al., 2010; Pies et al., 2014; Pies, 2016), in which the central conclusion is that emotionally driven processes of sensemaking are typically dysfunctional in the modern organization. In many cases, employees are led astray by the notion of a trade-off perception that interprets change projects as harming/oppressive/unfair/disloyal/subversive or degrading. Such a misperception of change naturally leads to resistance, but within a trade-off perception, resistance further worsens the state of the firm and its staff.

Against this background, we develop two contributions to the literature on change management. Our first contribution focuses on diagnosing and clearly understanding the issues and the second developing a therapy that resolves the problem. First, we hold that processes of emotionally driven sensemaking typically fail: this explains why change projects, even those with the win–win potential, repeatedly meet resistance by employees. Second, we conclude that the management of sensemaking, which we call sensegiving (Ala-Laurinaho et al., 2017; Kezar, 2013; Kraft et al., 2015; Maitlis and Lawrence, 2007; Rouleau, 2005), is a top priority for strategic management interested in successful change projects. Sensegiving comprises two change management activities:

1. to provide narratives that explain what is going on against the background of relevant alternatives; and
2. to develop appropriate discourses that guide how employees form their expectations.

In brief, sensegiving attempts to (re-)frame sensemaking processes.
2. Sensemaking in times of change: how employees perceive complex changes

The literature on sensemaking analyzes cognitive processes to gain a better understanding of how people reconstruct reality, especially when unforeseen issues arise or sudden events occur (Ala-Laurinaho et al., 2017; Brown et al., 2015; Colville et al., 2011; Maitlis, 2005; Maitlis and Christianson, 2014; Merkus et al., 2017; Weick, 1993). Applying these findings to managing organizational change appears worthwhile because change typically causes contradictions and paradoxes on the individual level and, therefore, results in sensemaking processes (Calton and Payne, 2003, p. 8; Maitlis and Christianson, 2014, p. 77). As emphasized by the interdisciplinary research in this field (Brown et al., 2015, p. 266), sensemaking might be an appropriate concept to analyze how individuals react to organizational changes. A better understanding of the reasons to resist organizational change (see the literature review of Pardo del Val and Fuentes, 2003), can be gained, in particular, by considering sensemaking as a central explanatory factor (Balogun and Johnson, 2005; Colville et al., 2011; Holt and Cornelissen, 2014; for a literature review on the application of sensemaking, see Brown et al., 2015; Maitlis and Christianson, 2014). Resistance to or acceptance of change depends first and foremost on how the individual perceives organizational change and this in turn depends on numerous factors. In the following sections, we summarize the core findings of this field.

2.1 The role of cognition and emotions on sensemaking

Sensemaking, to begin with, is influenced by our cognitive capabilities (Brown et al., 2015, p. 267; Maitlis and Christianson, 2014, p. 62). Our cognitive skills, for example, define (to some extent) what information we can absorb, and they also influence how we process it. In addition, the research on mental models adds another dimension that might contribute to an understanding of sensemaking: our biographical identities shape mental models (Argyris, 2004; Barr et al., 1992; Brown et al., 2015, pp. 270-271; Maitlis and Christianson, 2014, pp. 73-74). Our experiences, our education, the influence of peers and role models affect and shape our explicit and tacit knowledge. This contributes to how we perceive and reconstruct reality. If current events surprise us or fail to meet our expectations, we use our existing knowledge to make sense of these events: organizational change would be just a case in point.

Recent research also addresses emotions and sensemaking (Brown et al., 2015, pp. 272; Holt and Cornelissen, 2014; Maitlis et al., 2013; Maitlis and Christianson, 2014, pp. 75). Emotions and mood (may) influence how we perceive situations that result in sensemaking processes. Maitlis et al. (2013), for example, argue that emotions affect sensemaking in three stages: first, emotions may mediate the relation between unforeseen situations and the incipient process that may lead to sensemaking. This is confirmed by a recent empirical study from Helpap and Bekmeier-Feuerhahn (2016), who conclude that positive emotions in the early stages of a change initiative increase change commitment and efficacy, and that these two factors reduce the probability of resistance. However, Maitlis et al. (2013) also highlight the fact that moderately negative emotions might trigger the need for sensemaking. Second, positive and negative emotions may shape the sensemaking process itself. Positive emotions tend to promote a more generative sensemaking. This type of sensemaking “involves a process in which relationships among cues and frames are constructed flexibly and creatively to allow the development of novel accounts” (Maitlis et al., 2013, p. 9). Whereas negative emotions may support an integrative sensemaking, i.e.:
a heightened sensitivity to whether new cues are consistent or inconsistent with the emerging account of a situation, such that accounts are continuously and critically evaluated with respect to their plausibility” (Maitlis et al., 2013, p. 9).

In addition, feelings like pride and guilt may cause a more social sensemaking, whereas hubris and shame may result in solitary sensemaking. Finally, emotions influence to what extent people may perceive that their sensemaking is or is not plausible. A sensemaking process, for example, usually ends when a consistency is reached between the emotions that are felt, the interpretation of the new situation and the concluding actions.

Emotions are decidedly relevant for sensemaking processes, in particular during organizational change (Maitlis and Christianson, 2014, pp. 99-100). Almost all research contributions show that positive emotions promote sensemaking in such a way that employees perceive organizational change as something that they should support. In processes that aim to create shared mental models, for example, positive emotions seem to be very germane to sensemaking (Liu and Maitlis, 2014, pp. 215-216). Bartunek et al. (2006, p. 203) point out that the individual employee’s affections may influence colleagues’ sensemaking, and that insufficient information about change projects may cause negative emotions for the individual, consequently resulting in collective resistance. A highly nuanced understanding is presented by Maitlis et al. (2013, p. 18) who argue that positive emotions and even moderately negative emotions can be helpful in supporting sensemaking processes. Furthermore, these authors emphasize that change managers are well advised to inform their staff about (core) stakeholders’ positive emotions that are expected to arise from organizational changes. By bringing together the staff’s slightly negative emotions and the positive emotions of stakeholders, change managers can control sensemaking so that employees support organizational change.

2.2 Sensemaking as a multi-level, multi-actor phenomenon

Clearly, triggers and mediators for sensemaking are not confined to the individual. Brown et al. (2015, pp. 259-270) and Maitlis and Christianson (2014, pp. 59, 92) summarize the literature on sensemaking and conclude that it is a multi-level, multi-actor process. The aims of organizational change, for example, address the organizational macro level (like productivity, profitability, innovation rate, etc.), whereas the implementation of these reforms affects the individual, and, ultimately, change consequences on the micro level cause sensemaking. Employees may have to cope with unforeseen events that are quite surprising and challenging when contrasted with their previous organizational life world. At the same time, the impact of these changes and how employees perceive these changes may depend on their hierarchical level (Bean and Hamilton, 2006; Chaudhry et al., 2009; Hope, 2010; Kilduff et al., 2000; Lüscher and Lewis, 2008; Rouleau, 2005). The individual perception of change as either an opportunity or a threat may depend on who in the hierarchy initiates and implements the changes and who stands to gain from this process.

Besides this internal perspective on different (organizational) levels, times of change may cause blurring of organizational boundaries and, consequently, external actors (shareholders, competitors, suppliers, politicians or NGOs) may influence sensemaking processes within the organization (Basu and Palazzo, 2008; Calton and Payne, 2003; Maitlis, 2005). Dialogues between insiders and outsiders can create a shared reality across the boundaries, and this may influence the intra-organizational sensemaking (Gephart et al., 2010). This line of research shows:
the importance of sensemaking as both an individual and a collective process, in which individuals mutually influence each other; and

that the formal boundaries of an organization do not have to be a limitation.

Moreover, the selection of participants for these dialogues influences sensemaking. Participants are varied and have, perhaps, conflicting points of view and, thus, sensemaking has to be managed to ensure the emergence of common understandings (Balogun and Johnson, 2005; Bean and Hamilton, 2006; Chaudhry et al., 2009; Maitlis et al., 2013). We will come back to this issue in the second section of this paper.

Another multi-level perspective focuses on the relevance of institutions for sensemaking. Weick et al. (2005, p. 417) argue that the research on sensemaking might be biased toward personal agency relations and, thus, underestimate the role of institutions. The authors' argument is that institutions may limit the scope of sensemaking processes because institutions predetermine solutions. Institutions, from an ontological perspective, exist on different social levels: institutions of the whole society (e.g. laws and culture), on the organizational macro level (e.g. organizational culture, hierarchies) and on the organizational micro level (e.g. informal rules for teams). As an important point, Weick et al. (2005, p. 417) argue that institutions may be out of reach for individuals because norms, values and rules are shaped and enforced by powerful actors like governmental agencies, mass media, NGOs, lobbyists, etc., consequently creating restrictions for sensemaking. However, this does not necessarily mean that institutions are fixed. In contrast to Weick et al. (2005), other scholars argue that sensemaking may be the requirement for institutional change on the societal level (Pies et al., 2010) and within organizations (Will, 2015a, pp. 172-199). In Section 4, we will highlight how institutions, discourses and sensemaking may influence each other.

2.3 Sensemaking as a retrospective or prospective process
Sensemaking processes have both a retrospective and prospective dimension. Brown et al. (2015) and Maitlis and Cristianson (2014) argue that the conceptualization of Weick (1993) has influenced sensemaking research such that the vast majority of contributions have adopted a retrospective view. However, some prospective contributions have emerged during recent years, indicating a change in the academic debate. Stigliani and Ravasi (2012), for example, analyze reasons for retrospective and prospective sensemaking processes beginning with the empirical observation that, in general, previous sensemaking influences current sensemaking. The research on narratives, for example, highlights the notion that existing narratives within organizations establish the framework for sensemaking (see the literature review of Vaara et al., 2016). Nevertheless, current sensemaking can be adjusted if individuals adapt their perspective and explicitly focus on appropriate solutions that enhance future developments rather than having a limiting retrospective attitude. Occasionally, existing narratives build on a dynamic understanding of the organization, and this might help generate a more prospective focus.

In addition, the time dimension for framing the change project is important (Wiebe, 2010). This requires change managers to actively unfold the relationship between past, present and future and the change process: that is, they need to tell a congruent story about why these changes are the logical consequence of the firm’s history and why they are important for its future. Ybema (2010) complements this discussion by noting that personal identity narratives tend to a temporal self-continuity. However, Ybema (2010, pp. 496-497) also suggests that enacting clear contrasts between “old” and “new”
identities might contribute to a (more) prospective sensemaking in change management projects.

Summarizing the discussion about retrospective and prospective sensemaking approaches, sensemaking is, by nature, a more retrospective process because individuals use their existing experiences, knowledge, mental models, etc., to make sense of unfamiliar events. As Stigliani and Ravasi (2012), Ybema (2010) and Wiebe (2010) reveal, a prospective sensemaking has to be managed actively because of its counterintuitive nature compared to “normal” sensemaking processes. This might be relevant in times of change, in particular, because such periods are characterized by dynamism (for example, through competition, disrupting innovations, etc.).

The central insight of the research literature on sensemaking is that emotional responses play a vital role in resisting organizational change. However, despite being well-founded, the above conclusion leaves an important question unanswered. First, even if we know that positive emotions promote a constructive sensemaking (Brown et al., 2015, pp. 272; Helpap and Bekmeier-Feuerhahn, 2016; Holt and Cornelissen, 2014; Maitlis et al., 2013; Maitlis and Chrisanson, 2014, pp. 75), we have only limited knowledge about how such emotions emerge. What exactly triggers emotional responses? To answer this, it would be very useful to better understand the concrete dimensions of positive or negative emotions. This is why we present the so-called moral foundations theory in the next section. This theory helps to highlight important interdependencies between personal traits and emotions that are highly relevant in determining whether employees are in favor of or against organizational change.

3. Sensemaking through the lens of moral foundations theory
In this section, we explore how the moral foundations theory can help us better understand emotionally driven processes of sensemaking.

3.1 Intuition, judgments, ex post rationalization, social acceptance and conflicts
Psychological research has, for a long time, been at the forefront of the argument that emotions are a central part of information processing (Ekman, 1992; Lazarus, 1991a, 1991b,
1991c; Scherer, 1984; Smith and Ellsworth, 1985). Haidt (2001, 2002, 2003) and Greene and Haidt (2002) developed this line of reasoning into the so-called social intuitionist model (Figure 1). They argue that, in the case of a triggering event, a person’s judgment mainly depends on his/her emotional intuition (Arrow 1, Figure 1). According to this empirically well-founded theory, triggering events can be novel, ambiguous or confusing situations. These findings parallel results of research in the field of sensemaking, according to which emotions are highly relevant for understanding how we deal with unforeseen events in which people rarely react deliberately and rationally. Emotions, thus, emerge as a cognitive solution for handling complexity. Haidt (2012, p. 56) further argues that “intuitions (including emotional responses) are a kind of cognition. They’re just not a kind of reasoning.”

Developing further this research on the social intuitionist model, Graham et al. (2009), Graham et al. (2011), Graham et al. (2012a), Graham et al. (2012b), Haidt et al. (2009), Haidt (2012), Iyer et al. (2012) conclude from a large-scale empirical study, with thousands of observations, that people reconstruct triggering events through at least one of the following six dimensions: care/harm, liberty/oppression, fairness/cheating, loyalty/betrayal, authority/subversion and/or sanctity/degradation. This is the core proposition of the moral foundations theory:

1. In the care/harm dimension, a situation is reconstructed from the perspective of a person in need who is getting support (positive emotion), or of an innocent person being injured (negative emotion).

2. Positive emotions tend to emerge if people feel that they are free to make their own decisions, while negative emotions emerge when they believe that they are being oppressed.

3. The fairness dimension is stimulated when people in a group believe that all group members treat each other according to the same just standards, thus generating positive emotions; negative emotions are associated with unequal treatment, discrimination, cheating, free-riding or exploitation.

4. Positive emotions might be created if support of one person by another is framed as an act of loyalty. In contrast, refusal of such cooperation might be interpreted as disloyalty or even betrayal, triggering negative emotions.

5. An acceptance of authority figures can cause positive feelings, whereas people might be offended when they see others behaving in a subversive way.

6. Finally, respect for religious symbols may cause positive feelings, whereas denigrating religion may cause negative emotions.

As the research of Graham et al. (2009), Graham et al. (2011), Graham et al. (2012a), Graham et al. (2012b), Haidt et al. (2009), Haidt (2012), Iyer et al. (2012) shows, people are affected by these six dimensions in varying degrees depending on their personal traits. One event may trigger extreme feelings in one person and cause no emotional reaction in another. However, this research also concludes that there are three universal characterizations that are quite stable over nations, cultures and ethnic groups, namely – referring to the US political system – liberal, conservative and libertarian types. These authors’ empirical findings show that people with a liberal trait have a strong focus on the care/harm dimension and a medium focus on the dimensions of liberty/oppression and fairness/cheating. The other three dimensions receive very little consideration when liberals make (intuitive) judgments.

In sharp contrast, people with conservative traits have a medium strong and balanced focus on all six dimensions. Finally, people with a libertarian trait are strongly affected if a
situation affects the liberty/oppression dimension: the fairness/cheating dimension can be affected in a medium way, whereas the other four dimensions are rarely used for reconstructing triggering situations.

These different types are reminiscent of the social intuitionist model (Figure 1). According to this approach, the person’s judgment of the situation is driven by those six dimensions that are developed according to our personal traits. As Haidt (2001, 2002, 2003) and Greene and Haidt (2002) argue, these dimensions promote intuitive and emotional judgments rather than reasoned and reflective thinking. Furthermore, individuals often use their cognitive capabilities for an ex post rationalizing of their intuitive judgments (see Arrow 2 in Figure 1; see also Kahneman, 2011; Shleifer, 2012). Sensemaking research indicates that emotional ad hoc assessments bias the situation in such a way that deliberate reflection becomes difficult. The empirical findings highlight another interesting facet. People often use their reasoning capabilities for not only making sense of their intuitive emotions but also convincing peers of their ability to make sound judgments (see Arrow 3 in Figure 1). Haidt (2012, p. 54) calls this our personal “full-time public relations firm.” It seems that we use our cognitive capabilities more for achieving social acceptance than for reaching profound conclusions. In addition, Haidt (2001, 2002, 2003) and Greene and Haidt (2002) suggest that our judgments also depend on the values of our social environment (see Arrow 4 in Figure 1); thus, we frequently adjust our assessments according to social persuasion.

The social intuitionist model also points out that people can change their emotion-based judgments through good reasoning (see dashed Arrow 5 in Figure 1). However, this is much more difficult than justifying an intuitive opinion. People have to reflect on the situation as well as their own emotions, and they need time and distance for this process. Consequently, adjusting intuitive judgment requires greater cognitive effort that people may not be capable of in a stressful environment. In this regard, the social intuitionist model is very close to the findings of Kahneman (2011). Individual reflections can also lead to a change of emotional intuitions over time (see dashed Arrow 6 in Figure 1). This requires an ongoing and fundamental reflection on the interplay between one’s observed environment and one’s emotions. This is even more exhausting and time-consuming because people have to reflect continuously on their emotion, and they also have to learn new modes of reflection. These difficulties are well-known from the research on the adaptation of mental models (Buchanan and Dawson, 2007; Ford, 1999; Garrety et al., 2003; Hardy et al., 2005; Lines, 2005).

Haidt’s (2012) moral foundations theory has a focus on social and political conflicts based on different “moral tastes.” Because the six dimensions that are identified vary in degree from person to person, liberals, conservatives and libertarians use different kinds of sensemaking when confronted with the same social or political issues. These systematic differences between the three personality types and their emotional patterns may create and deepen the divide between political factions. As we will argue in the following part, the explanatory power of the moral foundations theory is not restricted to conflicts at the societal level.

3.2 Applying moral foundations theory to sensemaking in times of organizational change
We propose in this section that the moral foundations theory is applicable to sensemaking in times of organizational change because its six dimensions that drive our emotional responses may also be triggered by change management within organizations:
(1) **Care/harm:** Employees may expect that changes will either cause personal harm or support the employer’s benevolent role. From an empirical perspective, however, many employees expect change management to worsen their situations (Bovey and Hede, 2001a; Bovey and Hede, 2001b).

(2) **Liberty/oppression:** Change may also become reconstructed by means of emotions if the staff perceives reforms as increasing or decreasing freedom of decision in the job. Willmott (1993), for example, shows that implementing a new culture typically increases the degree of formalization within organizations and can tremendously reduce personal autonomy.

(3) **Fairness/cheating:** A positive emotional judgment may emerge if people perceive change management as a fair project. On the other hand, negative emotions might occur if the staff thinks that they are expected to sacrifice their self-interest in favor of, for example, superiors or shareholders. In many cases, changes are intended to reduce costs and increase shareholders’ benefits (Folger and Skarlicki, 1999), leading employees to think that they are being exploited. Will (2015b) concludes that change management typically causes situations in which employees or managers can exploit hardworking colleagues.

(4) **Loyalty/betrayal:** In addition, changes can be perceived through the dimension loyalty/betrayal: for example, if reforms increase loyalty and if loyalty is a mutually accepted value in the organization, people might be positively affected. People might perceive changes instead as betrayal if organizational change interrupts good relationships among colleagues or between staff and superiors (Dijk and Dick, 2009; Lawrence, 1969).

(5) **Authority/subversion:** Change can also address the dimension authority/subversion: Do changes support accepted formal and informal authorities? or Do changes cause a disempowerment of authorities within the firm? If, for example, managers fear loss of status through change, they and their supporters might develop negative feelings (Beer and Eisenstat, 1996; Dijk and Dick, 2009; Hutt et al., 1996).

(6) **Sanctity/degradation:** Finally, affected managers and employees may also perceive reforms as an issue of sanctity/degradation. If reforms intend radical cultural changes, for example, employees might perceive this as a degradation of central values of the firm (Schein, 1984; Schein, 1990; Silvester et al., 1999), which could even degrade their job biography (Dijk and Dick, 2009; Luhmann, 1999; Rumelt, 1995). People react with strong emotions if their sense of identity is threatened or if they feel that sacred principles may be compromised or even violated.

The moral foundations theory highlights two other potential reasons for conflicts in time of change. The empirical studies of Graham et al. (2009), Graham et al. (2011), Graham et al. (2012a), Graham et al. (2012b), Haidt et al. (2009), Haidt (2012), Iyer et al. (2012) conclude that the six dimensions are developed differently among employees. As a consequence, some people might perceive a particular organizational change project as supportable because of positive or neutral emotions, while colleagues may perceive the same project negatively. Thus, conflicts within the workforce may emerge if employees put different emphasis on these six dimensions. The social intuitionist model (Haidt, 2001, 2002, 2003; as well as Greene and Haidt, 2002) reveals another reason for resistance. Because of our tendency for social persuasion in small
groups, we might support change initiators or resisters depending on their closeness to us. Thus, the sensemaking might be strongly influenced by social cohesion independent of good or bad reasons for or against organizational change. This might become a problem on two different levels: on the one hand, the top management/change management team might be uncritically in favor of change because of social cohesion within their peer group, whereas change recipients might be against change because of social cohesion within the workforce.

Finally, the moral foundations theory also contributes to research on prospective or retrospective outlooks in sensemaking (Brown et al., 2015; Stigliani and Ravasi, 2012; Maitlis and Cristianson, 2014; Stigliani and Ravasi, 2012; Weick, 1993; Wiebe, 2010; Ybema, 2010). On the one hand, Haidt (2001, 2002, 2003) and Greene and Haidt (2002) argue that our intuitions are developed through socialization and evolution. This would support the argument that we have a retrospective bias because the shaping of our traits depends on previous events. As a consequence, we might systematically apply “ outdated” mental models if we have to make sense of a dynamic corporate environment. However, the findings also indicate that the time-dimension is not relevant to sensemaking per se. We apply our characteristics of the six dimensions regardless of whether the events are in the past or the future. Thus, time might have no effect on our emotional intuition even if the patterns were shaped in the past.

Summing up: the literature on sensemaking draws attention to the empirical fact that resistance to change is typically driven by emotions. The moral foundations theory helps in exactly identifying which emotional dimensions are relevant in times of organizational change. The next section points out that – due to their emotional nature – processes of sensemaking might fail, that they may mislead employees into behavioral patterns that are collectively self-damaging and that it is. Therefore, a top priority for management is to engage in sensegiving, i.e. in (re-)framing sensemaking processes.

4. Sensegiving through the lens of ordonomics

The ordonomic approach to business ethics focuses on learning processes that involve a dynamic interplay between changes of ideas and changes of institutions. Contributions that characterize this theory include those of Beckmann et al. (2014), Hielscher et al. (2014), Pies et al. (2009), Pies et al. (2010) and Pies et al. (2014), Pies (2016). In this section, we explore how the ordonomic approach to business ethics can help us to better understand why emotionally driven processes of sensemaking are likely to fail, and that engagement in sensegiving might be an appropriate management remedy. We start with an illustrative example. Then we argue that negative emotions might be a consequence of a trade-off perception of organizational change. Furthermore, we show that, because of social interactions within organizations, such trade-off perceptions might result in situations that make everyone worse off. We conclude that, as sensemaking processes can promote an inappropriate perception of change initiatives, sensegiving is a vital task for managers (Ala-Laurinaho et al., 2017; Kezar, 2013; Kraft et al., 2015; Maitlis and Lawrence, 2007; Rouleau, 2005). Sensegiving means to reflect on the situation and to look for solutions that result in mutual betterments. Well-designed discourses in combination with institutional changes can be factors in developing such solutions.
4.1 An introductory example: whistle-blowing
We first analyze an example in which organizational change provides a win–win potential but nevertheless, is likely to meet emotionally driven resistance. It is well known that the introduction of a whistle-blowing mechanism, i.e. a procedure for anonymously transmitting critical information to top management, is an important measure for securing the moral integrity of organizations (Gao et al., 2015; Henik, 2015; Lavena, 2014; Liu et al., 2015; Park et al., 2014). Prudently implemented, this instrument fosters organizational learning, and it helps the management quickly address potential grievances. However, even though employees have an interest in working for an organization that, with the help of a whistle-blowing mechanism, systematically avoids illegal behavior, for example, involvement in cartelization, insider trading or corruption, they still might react with negative emotions and find it morally repugnant to introduce this mechanism, for various reasons. The moral foundations theory provides a valuable systematization:

- **Care/harm**: Employees might have difficulty in understanding their self-interest in organizational integrity. As a result, they may fear that a whistle-blowing mechanism in effect harms them, as they might become the victim of rumors and false accusations.
- **Liberty/oppression**: Employees might have difficulty in understanding that a whistle-blowing mechanism increases organizational credibility and hence creates new degrees of freedom. As a result, they may regard this instrument as oppressive, as a reduction of their liberty.
- **Fairness/cheating**: Employees might have difficulty in understanding that a whistle-blowing mechanism is an attempt to improve fairness. On the contrary, they may regard this instrument as a sign of a general distrust that treats them as potential cheaters.
- **Loyalty/betrayal**: Employees might have difficulty in understanding that a whistle-blowing mechanism asks them to put their loyalty toward the organization ahead of any personal loyalties with wrongdoers. As a result, they may misinterpret this instrument as an unwelcome invitation to betray those people with whom they have a personal relationship.
- **Authority/subversion**: Employees might have difficulty in understanding that a whistle-blowing mechanism asks them to question authorities in cases of doubt. As a result, they may misinterpret this instrument as a subversion of a well-established order.
- **Sanctity/degradation**: Finally, employees might have difficulty in understanding the functionality of a whistle-blowing mechanism. As a result, they may misinterpret it as an infringement of rights, a compromise of sacred principles, a transgression into their private sphere and may find it morally alarming.

4.2 Ordonomic focus on (subconscious) trade-off perceptions
This example shows that all six dimensions have the potential to misdirect (in terms of successful change management) emotional reactions. It is interesting to note from an ordonomic point of view that, independently of the concrete dimension, all negative reactions share the same attribute. They assume a strict conflict of interest between the firm and its management on one hand and the employees on the other. Underlying this conflict perception is the assumption of a trade-off between the firm’s and the employees’ interests
If the change situation is regarded as a fixed pie, any attempt that profits the firm is interpreted as being disadvantageous for the employees. In addition, such intuitive and emotional judgments may prevent staff reflecting on why the organizational change might be reasonable (Haidt, 2001, 2002, 2003 and Greene and Haidt, 2002).

Figure 2 helps visualize the problem. If we take “comfortable working conditions” as a catch-all phrase for the interests of employees (including fair pay and job security), and if we take “efficient and effective processes” as a catch-all phrase for the firm’s long-term interest in being profitable, then the notion of a trade-off is graphically represented by the negatively sloped line. Along this line, any measure that helps the firm is regarded as detrimental to the interests of the employees. As the arrow indicates, such a framework of perception prompts a mental model of self-defense and (mis-)leads employees to resist change management efforts.

4.3 Ordonomic analysis of individual and social consequences of trade-off perceptions

If change management is designed with such a trade-off perception in mind or if the staff perceives a concrete change project within such a trade-off (irrespective of the real design of the organizational change), resistance typically emerges and change management may fail or become highly inefficient (Burnes and Cooke, 2012, pp. 1416-1417; Ford et al., 2008; Oswick et al., 2005, p. 384; Sturdy and Grey, 2003, pp. 654-656; Will, 2015a, pp. 31-41). Therefore, organizational change does not result in a solution that makes the firm better off and the staff worse off (lower right corner of Figure 3). Moreover, from an ordonomic point of view, it is interesting to note that such inefficiencies amount to a situation that makes the employees and the firm worse off.

Figure 3 illustrates this issue. The core idea is that neither Point A nor Point B is a feasible solution to change management problems. If employees interpret Point A as the goal of change management, i.e. prioritize firm profit over their interest in comfortable working conditions, they are likely to pursue Point B and take measures to defend themselves against being placed at a disadvantage but which are detrimental to the firm. The same logic holds the other way around too. If change managers assume that employees are pursuing Point B, they are likely to take counter-measures that are detrimental to comfortable working conditions. In such a way, a social dilemma may emerge that makes all involved parties worse off (Burnes and Cooke, 2012, pp. 1416-1417;
Guided by trade-off perceptions, such an interplay of action and reaction is likely to result in Point C, an outcome of uncooperative behavior from both sides. The firm suffers from employee resistance, lower work efforts and high staff turnover rates. The employees in turn are subject to a tense working climate, see a reduction of their investment and have an unwillingness to make concessions. Thus, both sides lose. The firm is unable to implement necessary changes, and, in the long run, may lose competitiveness, which means that, for example, they can no longer afford to pay high wages, resulting in lay-offs and bankruptcy. The seemingly plausible perception of a trade-off between conflicting interests is in fact misleading because it may trigger behavioral patterns of action and reaction that end up in a worse situation compared to the initial point of reference.

4.4 Reframing trade-off perceptions: the ordonomic concept of sensegiving

Because sensemaking processes can result in such unproductive situations, they need to be managed carefully (Ala-Laurinaho et al., 2017; Kezar, 2013; Kraft et al., 2015; Maitlis and Lawrence, 2007; Rouleau, 2005). Such a management can be called sensegiving. Figure 4 helps to visualize the ordonomic core idea of sensegiving through re-framing a trade-off perception (Pies et al., 2009; Pies et al., 2010; Pies et al., 2014 and Hielscher et al., 2014). It takes C as a starting point and reconstructs the change management problem as avoiding C to reach mutual betterment. The change in perspective – the switch in the direction of thought by 90° – is called “orthogonal positioning.” Graphically, it is represented by no longer thinking along the negatively sloped trade-off line – A versus B – but instead along the positively sloped line from C to D.

The ordonomic approach identifies two levels of sensegiving activities. First, change managers can directly and actively contribute to sensemaking processes within the organization. It is vital for them to improve their understanding of the situation and to develop an appropriate narrative concerning the problem at hand and the alternatives for a solution strategy. A trade-off perception is triggered – and then further stabilized – by the fear of being disadvantaged. To overcome such fear, change managers must (be able to) explain the situational logic of the change problem. The crucial point here is that emotional resistance is not met on the level of moral appeals to take responsibility for the corporate

---

**Figure 3.** How a perceived trade-off becomes a real lose–lose outcome [Authors’ figure referring to Pies (2000; Figure 1-1b, p. 34) and Pies et al. (2009, pp. 379-380)].
interests (and to accept sacrifices of individual well-being). Instead, resistance is met with convincing arguments that explain that certain perceived activities within a trade-off are not intended, because, overall there is a potential for mutual betterment. When introducing a whistle-blowing mechanism, for example, prudent change managers would place importance on explaining that this measure is not an invitation to foul one’s own nest, and that on the contrary it aims at improving the integrity and credibility of the organization, which is attractive for the owners of the firm as well as for its partners in value creation, especially employees (Gao et al., 2015; Henik, 2015; Lavena, 2014; Liu et al., 2015; Park et al., 2014).

Second, and as Pies et al. (2009) and Pies et al. (2010) argue, companies can institutionalize discourses to guide how their employees perceive change initiatives. The staff can give feedback and thus help clarify whether the intended changes are misperceived or if the employees have good reasons for those reactions. In the case of misperceptions, change managers have to not only mediate the change initiative but also understand why the initiative causes negative reactions. The moral foundations theory provides us a profound understanding of which dimensions might be affected and why perceptions differ within staff and across hierarchies. Understanding negative emotions might result in conversations that address and refute superficial emotional intuitions. In this process, such discourses can be used for reflecting on intuition and initiate a reasoning process. The moral foundations theory does show, however, that discourses might have to follow different communicative strategies depending on the staff’s patterns within the six dimensions.

Employees’ negative intuitions can also be a source of more realistic expectations with regard to proposed changes. Then, employees’ criticism can be a critical resource that can be used to mitigate resistance in later stages of change implementation (Ford et al., 2008). Thus, discourses can be used to gain information regarding side effects of organizational change that were not considered in the strategy formulation phase. As Weick et al. (2005) argues, such changes often require extensive and quite complex reforms to intra-organizational institutions. Moreover, Will (2014, 2015b) argues that in many cases poorly designed institutions systematically prevent mutual betterments in organizations. He argues that organizational changes have to adapt such institutions first before organizations can change. Otherwise, change initiative are likely to fail because the institutional logic incentivizes employees to follow the institutions and not the change initiative. As a

---

**Figure 4.**
Re-framing the trade-off through orthogonal positioning [Authors’ figure referring to Pies (2000, Figure 1-1b, p. 34) and Pies et al. (2009, pp. 379-380)]
consequence, we can observe resistance on the individual level and change failure on the firm level. Against the backdrop of this, Will (2015b) makes the point that change managers can design internal interaction processes through intra-organizational institutions that create real win–win solutions to enable employees perceive organizational change not as a threat but as an opportunity.

Ordonomics emphasizes that giving sense to organizational change does not have to cause negative emotions if change managers create situations that enable employees to be better off and if they communicate this accordingly. This requires three steps: first, analyzing which of the six dimensions cause an intuitive judgment; second, analyzing the individual and social consequences of such a perception; and finally, re-framing trade-off perceptions through an orthogonal position that may entail institutional changes, in addition to an appropriate communication of the aims and consequences of the change initiative. If change managers are able to give sense to changes in such a way, employees are much more likely to develop a strong commitment in favor of organizational change (for links between positive consternation and commitment, see Haidt, 2012; Keltner et al., 2006; Vianello et al., 2010).

5. Discussion
Our ordonomic concept for sensegiving contributes to research on sensemaking/sensegiving in at least three ways.

5.1 Intuition and the modern organization
As the manifold reasons for resistance indicate (Pardo del Val and Fuentes, 2003), employees may perceive change management negatively through at least one of the six dimensions identified by the moral foundations theory. Research on emotions and sensemaking shows that negative emotions typically result in low levels of commitment or even resistance to change (Brown et al., 2015; Holt and Cornelissen, 2014; Liu and Maitlis, 2014; Maitlis et al., 2013; Maitlis and Chrisanson, 2014). Furthermore, the moral foundations theory explains another important facet of this process: because judgments are made based on intuitions that are driven by emotions, employees' assessment might be biased regarding the individual consequences (Haidt, 2013; Kahneman, 2003; Kahneman, 2011; Lerner et al., 2015; Shenhav and Greene, 2014; Yoder and Decety, 2014). The modern organization, in particular, with its formal processes, specialization and complex interactions that take place on different organizational levels with various actors, may systematically overwhelm people's intuition because their intuitive and emotional judgments evolved in tribal societies in which interactions were personal, and the moral good was a central factor for social cohesion (Haidt, 2012; Keltner et al., 2006; Vianello et al., 2010). However, the modern organization is systematically different from the tribal groups of our evolutionary past. Therefore, tensions might emerge between its functional logic and our cognition, which is historically based on the needs of small groups in tribal societies.

Taken together, this helps to better understand why change management can fail and why it is therefore of vital importance for change management to provide sensegiving. Emotional responses to organizational change are simply too important to be left to chance. They need to be taken seriously and brought into focus within discourses that explain the consequences of organizational change, so that employees can better decide for themselves whether they are justified in emotional resistance or whether it would be more appropriate for them to overcome initial impulses and negative feelings. The concept of sensegiving attempts to encourage such learning processes within a corporate culture of routinely creating and communicating orthogonal positions. Organizations flourish when managers
and employees learn not to put up with conflict perceptions but instead work together in finding joint solutions to joint problems.

5.2 Sensemaking, politics and power
The above argument also contributes to the debate on sensemaking, politics and power (Brown et al., 2015, p. 269; Maitlis and Christianson, 2014, p. 98 and Vlaar et al., 2006, p. 1630). Power and politics can be used to pursue private gain at the expense of the common good. However, such a behavior can easily backfire. Although it may be intended to promote one’s personal well-being, it might generate unintended consequences that are detrimental to one’s self-interest. If a powerful actor tries to enforce his sensemaking against the interests of others, the latter can resist, shirk, boycott, sabotage or look for more attractive jobs elsewhere. Imperfect monitoring, imperfect contracts and competition on labor markets might then result in a social dilemma. The lesson to be learned here is that neither principals nor agents can realize their goals without the acceptance of the other party (Alchian and Demsetz, 1972; Miller, 2008). This is why sensemaking – and hence sensegiving – processes are so important. Without mutual acceptance and without a joint understanding of legitimacy, working together can hardly be productive.

5.3 Retrospective or prospective sensemaking
In the academic literature, most approaches to date have a strong focus on the retrospective nature of sensemaking (for a literature overview, see Brown et al., 2015, p. 268). The empirically based approach called moral foundations theory (Graham et al., 2009; Graham et al., 2011; Graham et al., 2012a; Graham et al., 2012b; Haidt et al., 2009; Iyer et al., 2012) finds that sensemaking may be highly retrospective if issues negatively affect our moral beliefs. In such cases, sensemaking is rarely reflective, resulting immediately in an affective ad hoc decision. In this process, individuals base their sensemaking on previous experiences and already existing preferences. A re-framing through an orthogonal position may enable individuals to take a more prospective view. This would unveil their own self-interests in organizational change, which may be a strong trigger for positive emotions and, thus, for a potential commitment to change (Haidt, 2012; Keltner et al., 2006; Vianello et al., 2010). Wiebe’s (2010) idea, in particular, that change managers might actively unfold the relationship between past, present and future by telling a congruent story of the corporate development, might support such a process. That is why the ordonomic concept of sensegiving recommends narratives that embed measures of organizational change in a “history” of continuous efforts of joint problem-solving.

6. Concluding remarks
The fields of management research in general and research on organizational change in particular have developed many approaches that call firms to organize mutual benefits through their value creation processes. Some scholars argue that creating such improvements is the core task of the firm, and without creating win–win situations, the firm will lose its legitimacy (Freeman, 2010; Hielscher et al., 2014; Pies et al., 2009). Continuously sustaining one’s license to operate, upholding a high level of trust and respectability and earning a reputation for fairness and reliability are not simple tasks. This is why managers require appropriate capabilities, for example, a sound concept for creating mutual benefits. Our ordonomic concept of sensegiving helps to (re-)direct change management so that employees can constructively make sense of organizational change. This concept draws attention to the fact that it is necessary, but not sufficient, that, for change management to
be successful, change projects have to create a win–win potential. There are several lessons to be learned here.

First, it is of vital importance to keep the relevant alternatives in mind. Especially in situations of organizational crisis, the outcome of organizational change must not be compared with the status quo ante, but with the likely outcome if (e.g. due to resistance), no change takes place. Second, even if a win–win potential already exists, it can still be misperceived. If employees are used to thinking within a trade-off framework, this might trigger trade-off intuitions and negative emotions, in effect leading to a situation that makes everyone worse off. Such mental models might become a self-fulfilling prophecy. Third, to counter such a tendency, sensegiving aims at a professional management of sensemaking processes. The task of successful change management, properly understood, is to create and communicate win–win potentials, ensuring that all parties involved understand that they are not asked to sacrifice their self-interest, but that instead they are invited to participate in a process of mutual betterment. And indeed, from an ethical perspective, one can even argue that expecting employees to self-sacrifice would contravene personal dignity (Pies and Sardison, 2006, Footnote 1).

Fourth, sensegiving for organizational change requires a profound understanding of the emotions that might emerge during the change process. The moral foundations theory highlights the fact that both positive and negative emotions have diverse causes depending on personal traits, socialization and perception of the concrete situation. It is extremely valuable that the moral foundations theory identifies six dimensions of moral emotions. Applying these insights to organizational change provides a powerful framework for understanding the strengths and weaknesses of sensemaking – and to define the task of sensegiving. Although managing the employees’ emotions and expectations during processes of organizational change is of vital importance, our current understanding of how these emotions emerge and how we can control them is still in an early stage. We believe that further research would greatly contribute to this worthwhile research agenda.

References


Further reading


About the authors
Matthias Georg Will is a Senior Researcher and Lecturer in the field of management and economics at Martin Luther University of Halle-Wittenberg. In his research, Matthias Georg Will focuses on change management, digital strategies and tensions between business and society. He is quite interested in discourse failures and poorly designed governance structures that cause many social and corporate challenges. He has published articles in the field of strategic management, organizational change, business regulation, capital market regulation and corporate sustainability. He regularly presents his research on international conferences and organizes own tracks. Matthias Georg Will is the corresponding author and can be contacted at: matthias.will@wiwi.uni-halle.de

Ingo Pies is a Full Professor at Martin Luther University of Halle-Wittenberg, where he holds the Chair in Economic Ethics. Together with a team of academic collaborators, he has set up the research program of “ordonomics,” which analyzes the interplay of ideas and institutions in societal learning processes. Ingo Pies is interested in studying how markets employ competition as an instrument of fostering societal cooperation and how firms employ morality as a factor of production. In his research, he is drawing attention to the empirical observation that modern societies sometimes suffer from discourse failures. He has been the editor or co-editor of more than 50 books, and he has authored or co-authored 15 monographs as well as more than 50 articles that have been published in peer-reviewed journals.

For instructions on how to order reprints of this article, please visit our website: www.emeraldgrouppublishing.com/licensing/reprints.htm
Or contact us for further details: permissions@emeraldinsight.com