SURVEY AND EXPLAIN THE ROLE OF SENSEMAKING IN SUCCESSFUL STRATEGY IMPLEMENTATION IN IRAN’S AUTOMOTIVE COMPANIES

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Abstract. There is not a dominant model that could explain key factors of sensemaking of strategy implementation and interactions between them. The purpose of this study is designing and explaining the role of sensemaking in successful strategy implementation along with a combination of factors which influence implementation sensemaking. This study surveyed the factors influencing sensemaking of successful strategy implementation in top Iran’s automotive companies. This is a qualitative research that uses grounded theory to obtain insight about the role of sensemaking in successful implementation through in-depth interviews with 22 individuals (Managers, Assistant Directors and Academic Professors) and used gathered data to design a model of sensemaking in successful strategy implementation. Based on open and axial coding, 21 effective variables were conceptualized and classified in seven major categories then final model was designed. This theory explains factors that affect the sensemaking of successful strategy implementation and how these factors interact with each other. Sensemaking in successful implementation of strategies depends on Sensemaking Context, Key Executors, Discourse Context, Intervening Conditions and Collective Sensemaking. Sensemaking Context cause sensemaking and sensegiving of key executers and key executers itself along with Discourse Context and Intervening Conditions lead to collective sensemaking. The consequence of model is sensemaking of successful strategy implementation that consists of maintaining and recording the meaning and its strengthening, collective effort, continuous strategy implementation and operational excellence of the organization.

Keywords: sensemaking context, key executers, discourse climate, collective sensemaking, successful strategy implementation.

JEL Classification: J53, L1, L21, M1, M12, P21.

Introduction

In the past two decades, strategy formulation has been sustained as the main part of strategic management; nonetheless, recent research has demonstrated that strategy implementation is more important than its formulation and additionally the key to superior performance of enterprises is better implementation (Hrebaniak 2006; Jooste, Fourie 2009). If macro-strategies cannot be implemented, they are worthless (Pryor et al. 2007; Toolsee 2011). According to the studies in the Fortune Magazine, more than 90 percent of strategies are not successful in practice. The main reason behind this failure has been reported as the poor implementation of strategies (Köseoölu et al. 2009). In addition, as stated by statistics, about 63 percent of companies cannot achieve their expected results; in other words, only 10 to 30 percent of strategies are successfully implemented (Raps 2005).

These statistics clearly show that the implementation and execution of strategy has turned into the most significant factor in the management process of organizations, and in this respect it considered as the basis for creating a competitive advantage for the organizations that are endowed with sufficient skills and ability to manage – the process of implementing the strategy.
Today, strategy implementation has become more challenging due to several reasons such as increase in the complexity of environmental factors, lack of ability to predict the long-term future, high speed of changes, and increase in the factors affecting organizational performance (Rahimnia et al. 2009; Sterling 2003). Understanding the dynamic complexity of an organization requires the understanding of the processes of individual cognition within the organization (Guiette, Vandenbempt 2013).

In reality, it has been observed that there are differences between written strategies and the results obtained in practice which originates from the incorrect or incomplete perception of strategies by – executers (Teulier, Rouleau 2013). In the same way sensemaking is one of the issues that have recently been raised regarding the successful implementation of the strategy (Kezar 2013; Raes et al. 2007). Organizational sensemaking has strategic role in use of information and is very important in success of the organization in learning about the environment changes and answer it. Sense making as a leaders’ key activity for today dynamic and complex world can lead to a better understanding of the variable environment (Raes et al. 2007; Grazzini 2013). Therefore, unexpected threats and unfamiliar as well as dynamic situations can be well treated by means of accurate and on-time sensemaking.

Despite the importance of sensemaking in successful strategy implementation, research is not enough in terms of the examination of the sensemaking status in the successful implementation of the strategy. Thus, the relationship between the planned strategy and what is executed and resulted in action needs to be studied. In recent years, several studies in the field of sensemaking of the changes as well as mental models of managers and execution teams has been conducted (Guiette, Vandenbempt 2013; Noble 1999; Gioia, Chittipeddi 1991) and the variables and the factors affecting sensemaking have been identified (Teulier, Rouleau 2013; Weick 2012; Sharma, Good 2013). Nonetheless, how these variables interact, how they influence each other, and how these interactions in the form of a coherent model have an impact on the process of implementation and the results obtained have been less discussed. In addition, the few existing studies carried out in the developing countries especially in manufacturing companies have ignored the issue of execution. Therefore, it becomes clear that several models have been presented in the scope of sensemaking, but there is still no dominant model in terms of the role of sensemaking in the implementation of accepted strategies by scholars, so it is necessary to propose a model that assembles the scattered pieces of the execution puzzle together and design a proper implementation model with respect of sensemaking and in harmony with the car-manufacturing companies and their governing conditions.

Currently, car industry is an important and integral part of international trade and industry. According to the report by the Director General of the Word Trade Organization about the business developments in 2010 (WTO 2010), Iran is placed in the world first level in terms of its position in car industry among the total manufacturing industries which indicates the importance of this industry to the Iran. Given the increasing importance of the issue and the status of strategy implementation in strategic management process especially in car industry and its impact on the success of the organization on one hand and the increase in the complexity, uncertainty, and big changes in the environment on the other hand; the main problem of the present study is as follows: How can a strategy be successfully implemented at the level of the enterprise (Car Company) and how is the role of sensemaking at this successful implementation explained?

With the status of car industry and the successful implementation of strategy as one of the challenges to managers in which sensemaking within the organization has a key role in its successful implementation as it is mentioned above, and since the few models of implementation available have less discussed the issue of sensemaking and its role in successful implementation; the present study intends to survey the current gap in the scope of sensemaking in the implementation of strategy particularly with focus on the car industry and to examine the problems and the shortcomings in order to understand, explore and design the theory of the sensemaking process in the successful strategy implementation. Accordingly, this research aims to investigate the sensemaking procedure to strategies in implementation among the top car companies of Iran and consequently to present a model to explain the role of sensemaking in successful strategy implementation.

The review of the related theoretical literature and the models of strategy implementation and sensemaking are as follows.

1. Theoretical framework

1.1. Implementation of the strategy

Survival and success of organization in the mystery and contemporary environment of the competitive world, change, speed, complexity and uncertainty are its main characteristic – need to select and implement effective strategies and improve performance. Therefore Strategy implementation has become a critical issue in the management today. The failure of a good strategy to create competitive advantage is associated, based on researchers’ ideas, with the way a strategy is implemented (Getz et al. 2009). As well, surveys conducted among the chief executive officers reveals that “implementation of strategy” is their big concern. Contrary to many managers’ assumptions, the key to the success of the best organizations is not a good strategy, but the proper
implementation of a strategy (Hrebiniak 2006). There are several definitions in this regard:

Implementation is concerned with doing an activity which is related to organizational issues, setting operational plans and their execution (Noble 1999); Strategy implementation is considered as how strategies are developed in limited time and with the aim of effective implementation according to the capacities and financial and human resources within the organization (Rahimnia et al. 2009). As a whole, the definitions of implementation are categorized in three main categories below (Yang et al. 2010):

- Process perspectives: implementation is one step of the exact stages successively planned (the process of converting the plan into action);
- Behavioral perspectives: implementation is a set of focused and parallel actions to achieve the goals and objectives, and
- Integrated perspectives: the series of activities and choices which are required for implementation.

Finally, on the basis of these definitions, implementation can be referred to as “a dynamic process which is complicated and repetitive and encompasses a series of decisions and actions by managers and staffs – under the impact of the factors inside and outside the organization – to turn strategy into action in the direction of strategic organization goals”.

1.2. Sensemaking

There have been little studies about Sensemaking by managers in the field of changes (Maitlis 2005). Sensemaking refers to the ongoing progress which comes through efforts to create the retrospective sense and significance of what has happened and it is based on past experience (Weick 1995). According to Weick (1995), Sensemaking is an attempt to interpret and create an issue or phenomenon. Sensemaking is the process of social construction that occurs when various clues disrupt an individual’s current activities and consists of retrospective (backward) development of possible senses (Maitlis, Sonenshein 2010). Therefore, Sensemaking about the relevant clues and forming it to make sense and explain what occurs is (Maitlis, Sonenshein 2010). Sense making is the process through which organization acquires about its environment and interprets and acts on information (Weick 1995); as well, Sensemaking is an act of multidimensional interaction based on the mutual interaction of meaning and practices (Weick et al. 2005; Papadimitriou, Pellegrin 2007). In fact, Sensemaking is a process through which people mean their experience (Adobor 2005), so discovering the connection between interpret and action is of importance. Studies in the field of cognitive processes have concentrated on exploring the factors affecting the prediction, as well as the background factors for decision-making and interpretation of information. In the strategic field, in addition, the Sensemaking influence by senior executives about information and their impact on organizational outcomes have been highlighted (Thomas et al. 1993). The Sensemaking process has been illustrated in three steps of environmental monitoring, interpretation, and action (Thomas et al. 1993). Due to the complexity of the organizational context and its dynamics, top managers play an important role in the interpretation of the sense of information (Thomas et al. 1993); and organizations are seen as Sensemaking units within them, Managers and employees interpret events and programs, also the their mental models and past experiences influence on interpretation and understand of plans (Weick) and the transfer of their understanding to others (sensegiving) (Gioia et al. 2000).

In this study, the Sensemaking and the meaning system by managers and employees beside the organization in execution is taken into account which is not considered as a variable in previous models.

The seven principles of Sensemaking according to Weick (1995) are as follows (Weick 1995): Identity Construction, Retrospective, Enactment, Socialization, Ongoing, Extracted Cue, Plausibility.

There are a variety of methodology approaches to survey the sensemaking. Sensemaking as Dervin has explains with her framing (Reinhard, Dervin 2013). Each of the major contributors to sensemaking theories – Karl Weick, Brenda Dervin, Gary Klein, David Snowden and Russell – has established different perspectives on sensemaking. The models of sensemaking describe different “ways that people make sense of things” and therefore they have different units of analysis. The four major sensemaking theorists focus on different units of analysis of sensemaking (Table 1).

Weick focused on organizational activity (collective), and the location of sensemaking is internalized as representation of collective meaning. Dervin has a clear individual approach on the individual’s situation and their internalized subjective experience of it. Klein focused on the individual mental model (frame) used to an external context or activity. Russell’s information theoretic view makes sensemaking as a collective location largely in the service of interpreting external data. Snowden’s model views sensemaking a knowledge production activity, using data toward a shared understanding of problem areas (Reinhard, Dervin 2013).

### Table 1. Sensemaking theorists (Reinhard, Dervin 2013)

<table>
<thead>
<tr>
<th>Collective</th>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weick (Activity (social))</td>
<td>Russell (Data-Meaning)</td>
<td></td>
</tr>
<tr>
<td>Snowden (Understanding)</td>
<td>Dervin (Situation)</td>
<td>Klein (Mental Model)</td>
</tr>
<tr>
<td>Individual</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Sense making studies are divided into two main categories (Jørgensen et al. 2012):

- Micro level: a series of sense making studies within the organization focus on polyphonic in sense making that shows several views of the involved groups and diversity of interpretations is discussed. While other categories of studies express sense making activities of the group that focused on understanding inter-organizational collaboration of organizational actors.

- A series of studies on the macro-level focused on inter-organizational collaboration in media form in the sense making that relies on public concept/opinion; studies of metaphors, ideologies and stereotypes are also in this area.

1.3. Sensegiving

As Sensemaking refers to the classification of environmental clues and their interpretation (Maitlis, Sonenshein 2010), Sensegiving is how individuals understand themselves and other related members which is the basic element in the leadership work that is performed with respect to the values of the subordinates and their understanding (Foldy et al. 2008), as well sensegiving is regarded as the middle managers’ main function during the change (Maitlis, Lawrence 2007).

Cognitive Changes of the members of the organization are important in sensegiving (Foldy et al. 2008). Sensegiving means attempts to influence the interpretation of subordinates (Lüscher, Lewis 2008); as well, a combination of Sensemaking with strategy is called sensegiving (Wright, Manning 2004). The act of sensegiving is defined as a process which is employed by managers to affect the construction of reality and gain the support of organizations from that mean (Wright, Manning 2004). Gioia and Chittipeddi have introduced Sensemaking and sensegiving as the bilateral and successive cycles (Gioia, Chittipeddi 1991).

Sensegiving is either based on the monitoring of the acts of the members of the organization and according to the members’ mental models and individual skills or it is formed based on competitive perspective with Sensemaking of the same phenomena and under the impact of powerful individuals in the organization (Wright, Manning 2004).

1.4. Mental models

Mental models are representations of the facts by which people understand the phenomena. These models act as a framework or structure of meaning to describe the mutual relations among the activities, objects, and information in the individual’s mind (Magzan 2012). Internal images develop through a continuous process of social – construction including education, experience and interaction with others. Some have considered the mental models as the most important foundation for knowledge construction as well as a cognitive process which is in favor of change and learning; furthermore, some appreciate it as lenses by which we can observe and interpret the world (Teulier, Rouleau 2013; Rouleau, Balogun 2011).

Peter Senge and others regard mental models as premises, implications and even images which have a deep root and also influence the way we perceive the world and how we act. Beliefs in the mental models have allowed individuals to predict and control the environment. Here, success in change depends on the accuracy and appropriateness of the model with facts (Hill, Levenhagen 1995).

Managers employing simple mental models have concentrated on a specific environmental scope and make use of rule of thumb in their decision-makings, or in Simon’s terms, they use the bounded rationalization (Neill et al. 2007).

2. Methodology

As noted, in the scope of the successful implementation of the strategy and the role of Sensemaking in it; there is little theoretical literature and the few studies conducted do not cover the factors involved in implementation. In addition, the relationships among these variables are not well explained. Therefore, the present study is a developmental-applied research in terms of its purpose. With regard to the data collection method, this study is in the form of a descriptive survey and the approach adopted is based on a qualitative study which uses grounded theory methodology. Exploratory interviews were used to examine the data, and the main technique used to collect data was structured deep interviews. Interviews were designed in a framework of relevant questions to the issue of sensemaking in implementation. The interview sessions took 45 minutes to an hour.

In qualitative studies particularly in grounded theory, data collection and analysis are conducted at the same time in order to help the appearance of a theory based on data (Corbin, Strauss 2014). The grounded theory refers to the process of creating a compiled theory by gathering organized data and their deductive analysis. This theory is systematically obtained through the data gathered and analyzed. To extract the concepts among the mass of information obtained during interviews, coding was performed. The main structure of data analysis in grounded theory is based on three ways of coding (Corbin, Strauss 2014):

- **Open Coding:** the first step is open coding and it is considered as an analytical process whereby concepts are identified by their attributes and dimensions are discovered in the data. In fact, suitable codes are assigned to different pieces of data and these codes are classified in the form of categories;
Axial Coding: then the researcher thinks about different aspects of these categories and finds links between them in order to do axial coding. In fact, the process of connecting the categories to sub-categories is called “axial” and

Selective Coding: finally, the categories are refined through selective coding, and following this process; a theoretical framework will emerge.

2.1. Statistical population and sample

Since the aim of this study was to develop a Sensemaking model for the successful implementation of strategy; the participants of the present study were selected among organizations which firstly had planned strategies and, secondly, their strategic plans were implemented. In this study, the top car companies listed among the one hundred top companies in 2014 and chosen by the Industrial Management Institute were selected as the population. The sampling method in this study was theoretical sampling and it continues until it achieves theoretical saturation. Iran Khodro Industrial Group, also known as IKCO, is the leading Iranian vehicle manufacturer, with headquarters in Tehran. The company's original name was Iran National. IKCO was founded in 1962 and it produced 688,000 passenger cars in 2009. Also SAIPA is the second largest Iranian auto manufacturer that was established in 1966.

In this study, 22 managers and key people in the strategy formulation and implementation as well as university teachers were interviewed. In Table 2, a list of interviewees and companies studied are provided:

2.2. Examining validity and reliability of the study

Validity in qualitative research is associated with this question that is whether methods, approaches and techniques are related to each other and what the researchers seek to measure are measured correctly. The validity of this study was evaluated in the following way (Creswell 2012; Corbin, Strauss 2014):

- Researcher's long-term involvement: the researcher's long-term involvement in research environment and continuous observations in the research context, including confidence-building with the subjects under study, learning the culture of that context and controlling the misunderstanding caused by the researcher's interventions or other informed individuals leads to the disclosure of the facts. It took approximately 10 months to study car companies in the form of corresponding, setting the time of the interviews, administering the interviews and attending the company, determining the model and re-evaluating the participants.

- Pluralism: via the collection of evidence from various sources including different theories, various individuals, and a wide variety of sources of information and methods.

- Auditing the research: the final pattern was sent back once more to be confirmed and the participants' comments were applied in the model.

- External referees (observers' revision): to increase the validity of the research, the extracted model and its categories were submitted to a number of university teachers and doctoral students of Strategic Management; as well, senior car experts' opinions were obtained through questionnaires.

- Analytical comparisons: in order to compare and evaluate the structure of the theory with raw data, the raw data were invoked.

- Assurance: in order to provide assurance, the details of the study and the notes taken were recorded and documented in all the stages.

Because the researcher is the main research tool in qualitative studies, the validity is taken into account in order to provide reliability. A qualitative study cannot be repeated, but since the present study was repeated in five different organizations and the participants are in different organizational conditions with various opinions; the theoretical model is a synthesis of their views and it was confirmed by interviewees through study auditing and finally the research gained a high reliability.

<table>
<thead>
<tr>
<th>Organization name</th>
<th>Rank of country</th>
<th>Count.</th>
<th>Organizational position</th>
</tr>
</thead>
<tbody>
<tr>
<td>IKCO spare parts and after sales service (ISACO)</td>
<td>102</td>
<td>1</td>
<td>Center for Strategic Studies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>Research and Marketing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2</td>
<td>President and chief human resources</td>
</tr>
<tr>
<td>Supplying Automotive Parts CO (SAPCO)</td>
<td>21</td>
<td>2</td>
<td>President of the Center for Strategic Studies and the Director of Planning</td>
</tr>
<tr>
<td>IKCO Strategic Planning Center</td>
<td>12</td>
<td>1</td>
<td>Director of Planning</td>
</tr>
<tr>
<td>IKCO marketing and sales unit</td>
<td>12</td>
<td>2</td>
<td>Manager</td>
</tr>
<tr>
<td>SAIPA Center for Strategic Studies</td>
<td>15</td>
<td>4</td>
<td>Center chief and general manager</td>
</tr>
<tr>
<td>University teachers</td>
<td>–</td>
<td>9</td>
<td>In the field of strategic management</td>
</tr>
</tbody>
</table>
3. Results

Given the research type, the structure of the data—analysis is based on grounded theory in which axial coding is conducted after extracting the open codes from the interviews. In the following Table, the way to access the categories of research through secondary codes and categories are specified:

In the next step, in the form of selective coding, the relationships among extracted categories are expressed using the Systematic design of Strauss and Corbin, and the final model of the extraction in the current study is as follows (Fig. 1).

Table 2. Codes, classes and categories of research

<table>
<thead>
<tr>
<th>Categories</th>
<th>Sub-category</th>
<th>Secondary code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensemaking Context</td>
<td>Outside Environment Factors</td>
<td>Fitness implementation with the environment and conditions of the ruling, according to environmental turbulence and changes (instability of the Iran's auto market), competitors and competition analyzing, environmental complexity, attention to the wishes and expectations of stakeholders</td>
</tr>
<tr>
<td></td>
<td>Organizational Factors</td>
<td>Prioritizing actions and strategies, feasibility of the implementation, attention to organizational abilities and realities, considering in key success factors, strategy and quality of its setting, benchmarking of successful models, coherence between goals and actions, sensitivity to / importance of the strategies; valuing the strategies and their implementation; thinking similarity of the head and base of the pyramid, there is the interface between the manager and the executive team, up and down the organization's interaction, strategic knowledge transfer system, expression of the results of the plans to organizational body</td>
</tr>
<tr>
<td></td>
<td>Individual Characteristics</td>
<td>Members personality traits, interest and motivation to learn, the member's ability to understand and interpret, past experiences of members, cognitive framework, mental map</td>
</tr>
<tr>
<td>Key Executives (Phenomenon)</td>
<td>Main Decision-Makers</td>
<td>Expertise and nobility of management on strategies, manager's understanding power, managers' mental models, beliefs and demands of senior management, approve strategic importance to the views of management, in-depth perspective of the managers, following the strategic plan, support and cooperation of managers, participation and cooperation of Director, manager's Consultation with organizational body, making interoperability between senior managers and middle managers, motivation to change, exchange ideas and consult managers with subordinates</td>
</tr>
<tr>
<td></td>
<td>Professional Consultants</td>
<td>Strategies placement at the head of affairs, importance to the strategy, the creation of the Office of Strategic Studies, steering committee, interface between team and executive manager, there is interaction between the top and bottom, using experienced consultants, the professional consultants, using behavioral psychologists</td>
</tr>
<tr>
<td></td>
<td>Middle managers and Employees</td>
<td>Employees and management interested in strategies and implementation, application and process knowledge workers, believing the body to the guidelines, there is general acceptance and synchronize, the participation of performance, capacity changes, employee participation in the formulation and implementation; trust between management team, mental model of middle managers, a cognitive framework, corporate identity, interests of employees' feelings and commitment of the body; the interpretation of the plans for subordinates (meaning)</td>
</tr>
<tr>
<td>Discourse Context/Climate</td>
<td>Process and Organizational Ability</td>
<td>Proper structuring of the organization, Process-based structure, flexible organization structure, Existence of formal and informal channels, determine the necessary financial resources, the efficient allocation of financial resources, time, and etc., support the plan with resource allocation, providing technology, competitiveness of the organization, organizational development, policy and procedures; change capacity, implementation how and organizing its, standardization and timely implementation of plans</td>
</tr>
<tr>
<td></td>
<td>Sensemaking Capability</td>
<td>Expertise and nobility of management on strategies, manager's understanding power, managers and employees' mental models, the participation and cooperation of managers, manager’s Consultation with organizational body, making interaction between senior and middle managers, operational definition of grand strategy, standardization plans and activities; provide expert reports about automotive business environment, flexible management, setting goals as participatory</td>
</tr>
<tr>
<td></td>
<td>Encouraging Power</td>
<td>Continues supervision and monitoring, evaluation of system performance, determine the outcomes of executers, accountability of officers and units, providing continuous feedback on the executive team, review and reform strategies, motivation system, communication between staff activities and encouragement and punishment system, existence of incentive feedback</td>
</tr>
<tr>
<td>Categories</td>
<td>Sub-category</td>
<td>Secondary code</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Discourse-Context/Climate</td>
<td>Communications</td>
<td>Interaction between management and employees, openness organizational climate of communication, providing space for dialogue, organizational discourse, proper communication with organizational body, continuous learning</td>
</tr>
<tr>
<td></td>
<td>Organizational Culture</td>
<td>Maintaining organizational culture, according to the ethics and values, consistency in culture and strategy, create a positive organizational climate for change, creating an space of understanding, change acceptance and implementation of the strategies, organizational identity, organizational philosophy, organizational culture based on dialogue and mutual understanding</td>
</tr>
<tr>
<td>Intervening Conditions</td>
<td>External Environment of the organiza­tion</td>
<td>Stability in Key stakeholders such as government, government monitor on auto industry, determine or change of senior management, stress and environmental pressures (environmental uncertainty); changes in customer taste, stability in the country’s political and economic factors, environmental uncertainty, emergent and unexpected factors such as sanctions; culture, social identity</td>
</tr>
<tr>
<td></td>
<td>Organizational Environment</td>
<td>Having/Enjoying of relative stability of policies, relative stability in the strategic plans of the organization, management and decision makers stability, the fixed steering committee, stable internal situation of the organization, lack of politicization (non-political) of directors, culture and climate stability, time constraints, the ability and the possibility of learning in the organization, disclosure of accurate and timely information</td>
</tr>
<tr>
<td></td>
<td>Individual level Factors</td>
<td>Inform employees about the results of implementation, ambiguities in the application and guidelines, believe in strategies, seeing their interests (employees) in the implementation, the resistance of human resources, inappropriate motivation of human resources, organizational injustice, Willingness and desire of the members, the cognitive map, lack of communication between staff activities and encouragement and punishment system, incentives feedback, professional knowledge, lack of organizational integration/convergence</td>
</tr>
<tr>
<td>Collective Sensemaking</td>
<td>Organizational Consensus</td>
<td>Understanding the plans and strategies (to reach a shared understanding); belief creation to strategies and their implementations implementation, employees training, development and empowerment of employees, committing of employees, consensus on strategies and their implementations implementation, achieving consensus and common understanding between the executive and employees, shared understanding of the plan and its changes, the creation of shared value</td>
</tr>
<tr>
<td></td>
<td>Shared Discourse of organizational (collective identification)</td>
<td>Considering the context of organization, organizational training, development and empowerment of employees, committing employees, existence of strategic knowledge transfer system, thinking similarity of the head and base of the pyramid, steering committee, there is the interface between the manager and the executive team, interaction between upstream and downstream, solidarity and cohesion between activities, organizational demands, participative implementation of plans</td>
</tr>
<tr>
<td></td>
<td>Acceptance and Enactment of the senses of strategies and their implementations</td>
<td>Interested employees and management on strategies and their implementation, believing the organizational body, there is general acceptance and public keep up, expression of the results of the plan to employees, achieve consensus, motivation, Considering the individual members and organizational values, committing members, means restructuring, organizational alignment</td>
</tr>
<tr>
<td>Sensemaking of successful strategy implementation</td>
<td>Maintaining and Recording the meaning and its strengthening</td>
<td>Cohesion and dynamism in the implementation of the strategy, continuous monitoring, feedback and continuous learning, build a culture in line with the strategy, strategy-oriented culture, work based on new meanings, strengthening the appropriate meanings</td>
</tr>
<tr>
<td></td>
<td>Collective Efforts (Accompaniment organizational bodies)</td>
<td>Organizational members association in implementation, the participation of employees, implement work as a team, executive team Homogeneous, organizational commitment to implementation, cohesion between employees, executives involved in the strategy formulation, cooperative setting goals, close relationship between formulation and implementation</td>
</tr>
</tbody>
</table>
### 4. Discussion

With respect to the previous steps, the research model and its relationship to theories and previous studies are described. It should be noted that Sensemaking is the reasoning process of making sense and effect analysis of the common and different methods of meaning (Jørgensen et al. 2012). In this research, Noble’s (1999) four-stage model- that defines strategy implementation as the Communication, interpretation, adoption and enactment of strategic plans-as an initial and base model was used to explain the model designed for the present study (Noble 1999) in which steps from communication to enactment are used in the theoretical model of Sensemaking.

#### 4.1. Sensemaking context/areas (casual conditions)

This category has been considered as a causal condition that consists of several other sub-categories. This category leads to the development of the phenomenon that is the key executers. Studies of Sensemaking at the micro level focus on the rational process of making sense, polyphony in organization, legitimating and encouraging members and groups in the process of meaning (Jørgensen et al. 2012). Sensemaking studies at the macro level also have noticed external observers and media such as public discussion and the vote of the public (Jørgensen et al. 2012).

Sensemaking is rooted in the deep understanding of a situation that is created based on retrospective knowledge, belief system and awareness of the mission, past experience, premises; local and labor interpretation plan and other interpretations, and situation and lack of environmental uncertainty (Weick et al. 2005; Weick 2012). It can be noted that Sensemaking starts from subordinates and their values (Foldy et al. 2008). According to Weick, the basis of Sensemaking is commitment which is related to the retrospective explanations about the justification of the cause of the phenomena (Maitlis, Sonenshein 2010).
Also checking the strategic management accounting and Sensemaking using grounded theory indicates that examining Sensemaking needs coordination dimensions as well as sharing the information and communications according to the individuals’ expert knowledge and organization’s internal and external context (Tillmann, Goddard 2008).

Generally, Sensemaking is a social process which firstly deals with individuals’ experience and mental models. People, values, emotions, identity, and interests have an impact on understanding the strategy and its implementation (Bartunek et al. 2006). Therefore, commitment, capacity and expectations of Sensemaking (understanding the need for change) influence the Sensemaking of conditions (Weick et al. 2005). Also, Weick introduces two main areas that put emphasis on Sensemaking including shared meaning and feelings (Weick 2012). Finally, it should be noted that cognitive turn is used in the analysis of the strategic changes to reveal the complex nature of the changes which are more associated with the individual level and the framework of knowledge or individuals’ cognitive map (Guittet, Vandebempt 2013; Zhang, Soergel 2014).

The following variables are the categories of Sensemaking context including external environment factors, organizational factors and individual characteristics.

4.2. Main decision-makers (phenomenon)
The core category (phenomenon) is the basis and foundation of the model. With respect to the investigations and interviews conducted in the organizations under study, the review of theoretical basis of the research, and the important role of management as well as leadership in Sensemaking, the key executives in the form of main decision-makers and Organizational Body were chosen as the basic axil of the model. The following variables of the category of main decision-makers include leaders and top managers as well as professional consultants.

Change is an effort to substitute the current way of thinking and action in an organization (Gioia, Chittipeddi 1991) and because most of organizational changes are rooted in leader's historical background and past activities; the model by Gioia and Chittipeddi (1991) which starts with envision is deficient and it is important to understand the recent changes and how they are experienced (Bartunek et al. 2006). Sensegiving for the organizational members is of the main roles of management and they can influence the subordinates’ perceptions through metaphors, organizational philosophy and religious rituals (Bartunek et al. 2006). Therefore, the managers’ perspectives of the change and understanding the general organizational orientation are important for the future of the organization (Bartunek et al. 2006).

Since Sensemaking is a fundamental process of organizing and pattern forming that deals with the proportion of clues together and giving means to them, recognizing the patterns of Sensemaking and how they are implemented are very important for managers (Denis et al. 2009). Also, the professional consultants can have an important role in creating a climate of confidence in the leadership and a better influence on subordinates (Espedal 2008).

Modern leadership theories explain the effects of the leaders on subordinates’ values and their understanding (Foldy et al. 2008). Managers with an understanding of the plans and transferring their mental model and understanding to the executive team and the organizational members (sensegiving), provide the context for shared perception and sensegiving of the plans (Maitlis 2005) and facilitate the organizational alignment and demands (Kezar 2013). Therefore, suggesting accurate mean to subordinates is of the key roles for organizational decision-makers which is also consistent with the results of previous studies (Raes et al. 2007; Grazzini 2013; Foldy et al. 2008; Espedal 2008).

4.3. Organizational body (core category)
Another main aspect of the core category in this research is the important role of the organizational body in collective Sensemaking. The body of the organization encompasses the middle managers and the staffs. Three effective factors on decision-making regarding organizational change have been considered in investigations including the environment-related factor, the internal context of the organization, and the decision-makers’ characteristics (Grazzini 2013). The managers’ attitude to environmental factors, changes in the organization, their mental models have an effect on their decision-making (Grazzini 2013). Middle managers have a leading role in facilitating the formation of senses by subordinates but often encounter difficulties during Sensemaking of the strategic plan or change; and go through lots of ambiguities during the implementation time. Therefore, it is essential that they have the same and shared understanding with top managers about the environment, its dynamics and assigned strategies (Lüscher, Lewis 2008). Manageress’s insight and way of thinking, selective perception, and their cognitive principles – that leads to perception and interpretation of the information in a certain way – are a filter whereby real events are realized and converted into inputs for decision-making processes (Raes et al. 2007; Huy 2011).

To give sense to change; middle managers interpret, communicate, and implement the change (Lüscher, Lewis 2008) and function as a reference for changes in the organizational development (Rouleau, Balogun 2011). The Sensemaking capabilities by middle managers such as issue-selling have an important role in changes to the implementation of the plans because communications, sharing the aim of change and strategy implementation are very important during the execution (Rouleau, Balogun 2011; Alamsjah 2011).
In general, we can say that strategic Sensemaking does not only occur in cognitive structures and organizational routine systems but it is formed in organizational discourse and the middle manager’s continuous activities; therefore Sensemaking can be complemented with the middle manager’s ability to make sense and share it (Rouleau, Balogun 2011).

4.4. Discourse climate (context)

Special conditions governing the organization and affecting the activities are called context. In the present study, the discourse climate is intended as the dominant context that influences the strategies (collective Sensemaking). These factors include organizational ability, Sensemaking capability, encouraging power, communications and organizational culture.

An organization is a network of senses among minds that develops and continues through the use of a common language and the daily social interactions (Gioia et al. 2000). Process and organizational ability are important in proper Sensemaking of an organization (Kezar 2013).

Sensemaking capability is actually a set of procedures which determines what information must be absorbed and how they should be interpreted and what decisions and actions should be adopted (Thomas et al. 1993). Sensemaking capability has been investigated in three dimensions of analytic (taking multiple views into account), interpretive (incorporating the environmental dimension with strategic complexity), and communicative (exchanging strategic information) that are respectively related to the managers’ mindset, decision-makers’ beliefs, and capacity of sharing and interpreting information (Neill et al. 2007) and provides a great possibility to respond to changes.

The encouraging and motivating power of message and sense is of the important factors in the effectiveness of the message content which encompasses aspects such as justification and rationalism as well as encouragement and attention to values and goodwill (Bartunek et al. 2006). Therefore, during the implementation process, the efficiency of performance evaluation system and providing incentive feedbacks to the staffs leads to motivation and learning among the organizational body.

Today, there is no clear consensus on the definition of culture. Most of scholars have accepted the three-dimensional views by Shine including assumptions, values, and products (Jones et al. 2005). Organizational culture contributes to the staffs’ common understanding on how to do things; as well it has an impact on the internal consistency of the organization, the members’ commitment, and the creation of their identity, which plays an important role in aligning with organizational body in its implementation and success. Factors affecting Sensemaking have been investigated in the form of job-related factors (task correlation and organizational discourse) and team-related factors (changes in organizational identification, mutual understanding and mental models) (Guiette, Vandenbempt 2013). Also, these factors have been observed in the form of common meaning, shared identity, and social justice (Maitlis, Sonenshein 2010). Given that individuals and organizations have created their own interpretations and senses of themselves and their particular environment and continuously reconstructed their perception and understanding towards them (Thomas et al. 1993), the team’s mental model originates from the structures of the members’ mental models and their understanding of senses (Guiette, Vandenbempt 2013). Team’s mental models have dimensions such as expectation ambiguity, changes in organizational identification and organizational discourse (Guiette, Vandenbempt 2013). Also, Sensemaking is rooted in identity formation (Gioia, Thomas 1996). The organizational identity acts as a perceptive filter that influences individuals, information processing, and interpretation of the issues (Thomas et al. 1993). Identity is a social construction that is formed through interactions with others and is associated with continuous learning (Weick et al. 2005).

4.5. Collective sensemaking (actions or strategies)

This category is outcome of phenomenon; the key executers create collective senses based on the discourse climate and the intervening conditions. Collective sensemaking encompasses sub-categories of consensus, Shared discourse (collective identification) and acceptance and enactment of the senses of strategies and their implementations.

Many authors have put emphasis on the role of organizational consensus in the strategy implementation (Yang et al. 2010; Dooley et al. 2000). As well, Noble (1999) states that a consensus inside and outside the organization to the charter of the successful implementation of strategy is necessary (Noble 1999). Yang Li and others (2010) consider consensus as the level of agreement between leadership committee of an organization about factors such as goals, competitive practices and perception of the environment which know it as the consequence of formulation process followed by successful implementation of strategies. Consensus at different organizational levels is not the same due to the lack of distribution of information or ignorance about the strategies (Yang et al. 2010). Lack of common understanding has also been mentioned as a major obstacle to the successful implementation of these strategies (Noble 1999; Yang et al. 2010).

The precondition to collective sensemaking is people’s willingness to the categorization of the related issues with the map of individual cognition (Ericson 2001). Also, attending to the organizational context, training the organizational individuals, and establishing organizational demands to achieve common senses are of importance (Rouleau, Balogun 2011; Yang et al. 2010).
Sensemaking is a social process which contains the construction and reconstruction of senses through understanding, interpretation and meaning by managers for themselves and others (Rouleau, Balogun 2011). Finally, after the creation of the shared senses, they are enacted. The concept of sense enactment is used when individuals perform an action which is in fact kind of converting the events and structures into reality and doing actions accordingly. Enactment is a social process that symbolically and physically registers the actions (Weick 1995). This concept is an organizational conducting composed of four categories (Weick 2010): Self-fulfilling Prophecies, retrospective Sensemaking, commitment, and social process of information.

4.6. Intervening conditions

Much of the research emphasize on the importance of organizational stakeholders’ opinions for implementation. The stakeholders’ theory is related to the management issues of an organization and ethics which were introduced in strategic management via the neo-classical literature such as Freeman (Okumus 2003; Lewis 2007). In this study; intervening conditions include the external environment of the organization, the organization environment, and individual factors. Sensemaking is under the influence of understanding the amount of confusion and environmental complexity, the openness of cultural mind, and the diversity of the team’s tasks (Neill et al. 2007; Kurtz, Snowden 2003). Also, leadership, thinking doctrine of the mind, organizational and time limitations, professional knowledge and cognitive context can have a facilitative or debilitative role in Sensemaking (Huy 2011; Zhang, Soergel 2014).

4.7. Sensemaking in successful strategy implementation (consequences)

In the model of grounded theory, the consequences are obtained through the integration of earlier categories specifically actions. The outcome in this research is named as successful strategy implementation. In theory of Sensemaking of the strategy implementation, maintaining and recording the meaning and its strengthening, collective effort, continuous implementation of strategies and the operational excellence of the organization are considered as the sub-categories of successful implementation.

According to the four-step model of strategic change by (Gioia, Chittipeddi 1991) – Envision, Signaling, Revisioning and Energizing – in the final step; the constructed senses should be maintained and strengthened in order to accurately interpret and understand the change or the strategic plan.

The Sensemaking process puts emphasis on emotional management, collaboration within the organization by members, language and social identity, culture and industrial structure (Jørgensen et al. 2012). It should be noted that an effective strategic plan requires the development of the understanding of the constituent forces of the situation by using the involvement of the collective efforts and the capability to interpret the events. Social aspects such as mobilization, participation and involvement of organizational members are effective in Sensemaking the successful strategy implementation (Maitlis, Sonenshein 2010; Kezar 2013). Finally, achievements to the collective efforts and the capability to interpret the data have an impact on the successful implementation of strategies (Neill et al. 2007). According to the views by Krush et al. (2013), Sensemaking and learning from past experience can contribute to a company’s competitive advantage and lead to the cost control and the better performance of the company through sharing knowledge (Krush et al. 2013). Sensemaking provides opportunities to learn from the environment and its changes (Weick et al. 2005) and leads to the operational excellence of the company (Krush et al. 2013).

Finally, the software atlas-ti was used to work with the data in the grounded theory (Fig. 2). This software is a tool for the software development of science which is used for management, extraction, comparison, and exploration of the data by means of creative, flexible and at the same time, systemic methods. In this study, this software is employed to present the model and compare it with proposed theoretical model in this research.

Conclusions

The ultimate goal of the present study was to design a model, provide theoretical organizational Sensemaking, and determine its role in the successful strategy implementation. The theory of Sensemaking of the successful strategy implementation according to Strauss and Corbin’s systematic design is made up of six major categories. This theory is explained according to the above-mentioned variables: sensemaking context enforce the key executers (main decision-makers and the organizational body) to employ the Sensemaking and sensegiving strategies which are created under the influence of the discourse climate such as organizational ability, Sensemaking capability, use of encouraging system and proper organizational culture, and intervening conditions of the environment inside and outside the organization, to achieve collective sense; and finally, with the enactment of new senses and encouragement to the members’ collective efforts, it will lead to the successful strategy implementation.

In this theory, according to the internal processes of an organization in Okumus’ Model (2003), there is an emphasis on the role of the organizational Sensemaking. With true Sensemaking by leaders and managers, the organization moves towards achieving a common understanding and identity which leads to consensus and organizational demands. The
pioneer executive groups should also provide a mutual un­
derstanding of the work process for others because they can reach a consensus on the senses and contribute to their mobilization and involvement with Sensemaking within the level units and departments. Finally, with organizational consensus and enactment of senses, collective Sensemaking is fulfilled; and the goals and strategies are achieved through members' collective efforts (Accompaniment organizational bodies). In the end, the following suggestions are presented:

- Attention to sensemaking context is the basic precondition for Sensemaking of the successful implementation of strategies.
- Cooperation and the role of the key executers including managers, consultants and the organizational body are required during the implementation.
- Establishment of discourse climate has an effect on collective Sensemaking.
- Intervening conditions of the environment outside and inside the organization and the individual factors have facilitative or preventive effects on collective Sensemaking.
- Collective Sensemaking leads to the enactment of the senses, collective efforts, and successful implementation of strategies; and ultimately, the achievement of the goals.

References


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