

Conflict and Power Games in a Multinational Corporation: Sensegiving as a Strategy of Preservation

ISRAEL DRORI¹, SHEMUEL ELLIS²

¹College of Management, School of Business, 7 Rabin Blv., Risho Letzion, 75190 Israel

²Tel Aviv University, Faculty of Management, Ramat Aviv, Tel Aviv, Israel

In this paper, we seek to extend existing understandings of how sensegiving is associated with conflict and power games. We look specifically at sensegiving by managers that promotes strategies and actions geared toward preserving their positions against change. Formulating a conceptual framework about sensegiving and power games in organizations may help to address a meaningful gap in the sensemaking/sensegiving literature. Although organizational members are continuously engaged in sensegiving for advocating certain strategies of action, a neglected issue is that members, and in particular managers, may look at sensegiving as a strategy to guard against change. In multinational companies (MNCs), for instance, boundary conditions – cultural and geographical differences – may draw attention to the nature of control and conflict between headquarters and subsidiaries and subsequently militate against substantial change. This assertion underlies our primary research question: Why and through what types of power games do managers of MNCs give sense to issues and events that help to maintain organizational inertia and legitimate behaviors and actions that curtail organizational change?

Keywords: sensegiving; sensemaking; power games; multinational corporation

Introduction

Through a long-term (1997–2004) ethnographic research study conducted at ChemInd (CI), an Israeli multinational and major asset of ChemRes (CR), a US holding company,¹ we examined the largely understudied association between sensegiving and the ways in which power is expressed and influences others (see also Weick *et al.*, 2005). ChemInd is a pioneer in chemical fertilizer production and has been a leader in its field since its founding as a state-owned enterprise in the mid 1960s. We study two groups of managers attempting to give sense to certain issues, events and strategies through power games. The first group is composed of managers from CI's headquarters and their field (or subsidiary) offices. The second group includes the holding company's owner and the headquarters' managers.

The main outcomes of our study are summarized in a power games model. It spells out the various tactics managers employed – such as narrative, negotiation, contestation or issue framing – for advocating and promoting their particular worldviews and the corresponding strategies and actions they desired for the organization. In the case of this MNC, such sensegiving proved an effective control strategy, as the very definition of the nature of the organization by its members indicated that it was “fragmented” and “divided”. By elaborating how inertial tendencies were maintained by the managers in our study, we therefore contribute to the little research that does exist on sensegiving dynamics among MNC management. In particular, we shed light on sensegiving by looking at conflict-ridden situations that bring to the fore different value systems embedded in particular stakeholders' positions and interests (see also Dubinskas, 1992; Kolb and Putnam, 1992; Morrill, 1995).

Our investigation sought to capture the processes of sensegiving practiced by leaders and stakeholders at CI and CR, which, as our fieldwork quickly revealed, have profoundly different interests and worldviews. Analytically, our findings align into two different sensegiving themes. The first is associated with the political

Correspondence: Israel Drori College of Management, School of Business, 7 Rabin Blv., Risho Letzion, 75190 Israel, Tel: +97236409558, Fax: +97236407381. E-mail: droris@post.tau.ac.il

¹ChemRes (CR) and ChemInd (CI), as well as any subsequent proper names of individuals at either firm, are pseudonyms.

struggles between CI headquarters and its subsidiary field offices throughout Israel and Europe – “headquarters vs. field offices” and concerns differences over strategy and resource management. The power struggles between the Israeli firm (CI) and its US-based owner (CR) – “headquarters vs. holding company” – represents the second. Within each of these domains, we identified the relevant power games and interactions that revealed how the relevant stakeholders in each group gave sense to those situations that required their response and capacity for action.

As an ethnographic-historical study, our contribution is unique in sensegiving research, in particular because of its long-term period of fieldwork (seven years), which enabled us to document a wide repertoire of sensegiving. Additionally, the multi-sited ethnographic design, with field research and interviews conducted not only at ChemInd’s headquarters but also at its subsidiary field offices and the US holding company, provides an especially rich look at sensegiving in practice.

What is sensegiving in context of power?

For Crozier (1964), organizations are controlled by management, informally employing micropolitical games through which they construct the power that facilitates their domination. Games are purposeful strategies of action – the ways an organization’s members pursue their interests and objectives, as they perceive them (e.g., Swidler, 2001). Such games, often involving power struggles, are given voice through “sensegiving”. In the existing literature, sensegiving is defined as “the process of attempting to influence the sensemaking and meaning construction of others towards a preferred redefinition of organizational reality” (Gioia and Chittipeddi, 1991, p. 442). More specifically, the act of sensegiving involves selecting and applying rhetoric, conversational and narrative strategies that reflect an attempt – primarily on the part of managers and leaders – to shape cognitive, cultural-symbolic and action (Gioia and Thomas, 1996; Fiss and Zajac, 2006; Maitlis and Lawrence, 2007). Others see sensegiving as an instrumental set of activities aimed at influencing the course of an interaction and establishing mutual understanding of issues requiring inter- and intra-organizational collective action (Dutton and Ashford, 1993; Bartunek *et al.*, 1999; Balogun and Johnson, 2004; Corley and Gioia, 2004; Maitlis and Lawrence, 2007). We rely upon all of these assertions in our working definition of sensegiving.

Important work has been done on sensegiving as social process, its cognitive aspects and its usage in construction of meaning for symbols and action that inform change (e.g., Weick *et al.* 2005; see also Corley and Gioia, 2004; Maitlis 2005). Yet, there are no existing

studies (to our knowledge) that look at sensegiving as a social strategy to guard against change. In our study, we thus aimed at exploring how sensegiving makes sense of and justifies behavior targeted at avoiding organizational transformation or even minor shifts. In such contested conflicts – over symbolic and tangible claims, legitimate authority, and/or resources – sensegiving represents a tool for either integration or exclusion of those stakeholders or interested parties that may not comply with the sensegivers’ intentions (Balogun, 2003; Balogun and Johnson, 2004; Fiss and Zajac, 2006; Drori *et al.*, 2009).

In particular, the crisis situation and the change that confronted CI during the period of our study called for intensive sensegiving activities by managers. There exists a considerable body of work on this aspect of sensegiving (e.g., Gioia and Thomas, 1996; Bartunek *et al.*, 1999; Maitlis and Lawrence, 2007; Landau and Drori, 2008). Gioia and Chittipeddi (1991) have shown that top managers are likely to be responsible to react, interpret and to instances of change by giving sense to others. Other studies have focused on middle managers, demonstrating the use of sensegiving to create a “schema” for change in the absence of top management (Balogun and Johnson, 2004), the micro-practices used in shaping routines and knowledge (Rouleau, 2005), and how middle managers employ “everyday sensegiving” to shape the way members of an organization “give meaning to *specific* events or changes” (Smith *et al.*, 2010, p. 221). But few, if any, have looked specifically at the role of power games in sensegiving by managers facing organizational crises.

Power games and sensegiving: constructing inertia and conflict

Following Crozier (1964) and in concert with our findings, we consider organizations “natural” systems, which are governed by contested negotiation of various stakeholders who use a series of power games alternately and interchangeable to pursue their interests. Similarly, managers attempt to “give sense” to those activities that provide legitimacy and authority to their governance system (Courpasson, 2000). Accordingly, sensegiving is an activity that justifies actions that enhance leaders and stakeholders’ organizational power and perpetuates their control over an organization. Thus, on the most basic level, this study contributes to the body of literature that seeks to understand how managers exert control over organizations. Managers that give sense to conflict situations may also resort to power games to gain leverage over others and to obtain power and resources within the organization and beyond (Crozier, 1964). As we describe in the following sections, this was exactly the case with CI – managers sought not only to influence intra-organizational relations but also to influ-

ence the firm's interactions with external stakeholders, such as clients and distributors.

Furthermore, sensegiving involves the use of argumentation and strategies of action that reflect a continuous, dynamic power game between parties consciously choosing to act in accordance not only with accepted norms and values but also with their interests and understandings of the organization's practices, objectives, strategies and core mission. Sensegiving progresses as each side is increasingly exposed to the other's (conflicting) values and norms. Such "deepened exposure" calls for utilizing power games in an attempt to gain legitimacy and supremacy over the other stakeholders. The power games are not a static construct, but exist as part of the interactions between those who initiate them and those who must react to them. Thus, giving sense to power games implies an intimate understanding of the other side's sensitivities, motives and objectives in making certain managerial decisions and actions – all events that enrich the complexity and the content of power games. Consequently, the forms and strategies of sensegiving are inextricably intertwined with the actors' positions in the prevailing power structure and in the organization's given historical legacy.

As implied above, power games are always contextual and contested. They involve various means – rhetorical, discursive or symbolic – that enable actors to confront uncertainties within the formal power structure of the organization (Crozier, 1964). According to Crozier, power implies that "the major stake for people in organizations is to control uncertainty, and uncertainty is a source of power and an opportunity for hidden struggles. Any person in a system can exploit uncertainties and create rules in his/her own interest; so each individual may 'have' power" (cited in Courpasson 2000, p. 144). This was evident in our case study, where, in times of crisis, managers aimed for power through sensegiving that was often confrontational (field offices *vs.* headquarters), or antagonistic (headquarters *vs.* holding company).

One of the primary ways in which managers pursued such interests was through power games that attempted to produce particular understandings about an organization (e.g., values, norms), by shaping the construction of meaning. Power games imply that the actors using them are pursuing a line of action through informal political means that will shape how an organization's members will actually make sense of their past or of new situations. As such, they represent solutions to the problems associated with authority and control as part of the formal organizational order (Weber, 1968). Following Courpasson (2000), we are not disputing the essence of hierarchical and bureaucratic control in organizations – we are claiming that management shapes the ways in which their members con-

struct meaning by "incorporating soft practices". In other words, management uses power games to shape how the organization's members make sense of certain actions or perceptions. In this sense, they are not an instrument of the "structure of domination", but a means to influence and shape organizational accounts (Maitlis, 2005) within a contested environment. In fact, this is the aspect of organizational sensegiving that we initially set out to study. While all of the above is still an important consideration in the work on sensegiving and power games, our focus quickly shifted to sensegiving in times of crisis and change.

Our main focus in this paper concerns managers giving sense to influence organizational realities in those circumstances where change is instigated through meaningful strategies of action. As Gioia and Chittipeddi state: "The act of making sense of, and giving sense about, the interpretation of a new vision for the institution constitute key processes involved in instigating and managing change" (1991, p. 445). Correspondingly, situations of "major change" or "deep" conflict entail different narratives held by various stakeholders within an organization. Change, especially when conflict-laden, may reflect organizational processes involving every facet of its structural or cultural schemas. Arguments about values or practices, influence, status or reward systems call for power games with sensegiving about certain attitudes and interests (Crozier, 1964). By enacting sensegiving in situations of conflict, managers thus engage in a process of mobilization that attempts to reshuffle norms, values, and consequently, the organization's very culture (Gephart, 1993); it is therefore an important research agenda within organizational studies.

Indeed, managers engaged in organizational sensegiving (along with other strategies) intentionally focus on occasions that tend to trigger both change and conflict – threats and/or opportunities or when there is a need for interpretation of events on behalf of the management (Gephart, 1993; Weick, 1993, 1995; Weick and Roberts, 1993; Gioia and Thomas, 1996). In this vein, sensegiving activities may result in a power struggle within the firm over management's "new" understandings of a given situation and new guidelines for collective action. Following Crozier (1964), power games are likely to be played by organizational members who strive to control uncertainties through negotiation, co-operation or competition. Thus, the major gap we intend to fill in this paper is associated with understanding resistance to change by employing power games, an area where virtually no research has been undertaken. As stated above, we had initially focused on the sensegiving process that managers put forward as they negotiate with and contest other organizational members to shape the way the others understood the organization (Gioia and Chittipeddi, 1991). We found, however, that viewing the

resistance to change, from both power and sensegiving perspectives, not only enhanced our explanatory scope in the construction of power games, but also revealed the discursive relations between the different parties that attempted to shape the organization's path.

Finally, sensegiving in MNCs like ChemInd is an arena for conflicts or uncertainties in which multiple sets of actors, operating across two or more national, business and cultural contexts, engage in multi-dimensional power games (Levi, 2005). MNCs operate in an environment replete with the complexities emanating from the need to satisfy and reconcile multiple stakeholders' vested interests in addition to disparate subcultures for the sake of pursuing a coherent strategy. In MNCs characterized by diverse interests shaped by local contexts, power games call for intensive and varied sensegiving strategies by managers at the headquarters. Some of the sensegiving strategies used by actors to mobilize material and symbolic resources allow them to promote discursive processes that shape the power games across boundaries. Sensegiving is thus useful in contesting contradictory, varied and multiple stakes, tensions and pressures for change from the diversity of stakeholders and environments (Kogut and Kulatilaka, 1994) – including pressures stemming from the tensions between domestic access and responsiveness, as well as global co-ordination and integration of needs (Bartlett and Ghoshal, 1989). The structure of the organizational entity we studied thus provides insight on and contributes to the literature on MNCs more broadly.

We offer two important notes before proceeding. As Crozier (1964; also Crozier and Friedberg, 1977), points out, members of organizations are not passive actors. They use power games as an arena of contestation and negotiation, which is governed by the attempt to give sense to power relations, rules, norms and accounts seen as important to those who play the power games. Thus, they have a relational aspect (Crozier and Friedberg, 1977) – hence our focus on sensegiving in dyads. These relations may take various shapes and forms, with stakeholders using a variety of sensegiving tools, including language, discursive accounts, symbols or agenda-setting tactics, to shape organizational sensemaking according to their own perceptions of reality (McNulty and Pettigrew, 1999; Maitlis, 2005; Maitlis and Lawrence, 2007; Smith *et al.* 2010). But, and this is crucial, the sensegiving strategy is always constrained by its organizational context, which provides not only the agenda, rules or style but also the content of the power games. Thus, organizational repertoires of behaviors, symbols and cultural schemas are constantly molding the sensegiving mechanism and the choices through which players approach the situation at hand. This will be particularly evident as we narrate the findings of our research and CI's legacy.

Methods

Research setting

We conducted the research for this study at ChemInd Ltd. (CI),² a leading manufacturer of chemical fertilizers originally established in the mid-1960s as an Israeli state-owned enterprise. In 1986, ChemRes (CR), a US-based private holding company, was formed to purchase a controlling interest in CI. During the 1990s, CI expanded its global reach and operated as the dominant player in the specialized fertilizer market. It also produced chemicals for industrial, food-related and pharmaceutical applications. ChemInd maintains field offices located in Europe, Asia, and Latin America, and the firm employs some 165 direct salespersons and 200 independent agents, distributors, and brokers in 95 countries. Eventually, CI purchased international subsidiaries in Spain, Italy, Belgium, the United Kingdom and Mexico.

Data collection

We collected data at ChemInd from 1997 through 2004. This period was characterized by CI's CEO as a "time of crisis". CI had lost its competitive advantage, and its long-standing superior position in the market had eroded. CI was ill prepared for the changes in its business environment in terms of customer demand for a more diverse offering of products and services as well as the harsh competition from other producers of potassium nitrate (mainly from Chile). During this period (the time of our field study), CI's management engaged in a series of internal meetings and other activities to discuss the crisis and its influence upon all aspects of the firms' daily and strategic activities (see also Rondinelli *et al.*, 2001).

Our research protocol entailed qualitative research methods, including participant observation, one-on-one interviews, attendance at company meetings, analysis of reports and internal documents and documentation of daily events and routines. The bulk of the field observation was conducted in Israel. In addition, we conducted extensive fieldwork trips and interviews *in situ* – in the United States and in various countries throughout Europe, including Spain, the United Kingdom, Belgium, France, Italy and Greece. During these trips, we interviewed a total of 12 managers. Over the course of the study, a field researcher also participated in numerous management meetings and company events. In particular, he attended special meetings (in addition to the annual meetings with managers of the headquarters and the subsidiaries), convened concerning the "crisis", which took place in Madrid in 2001 and in Brussels in

²Total sales were approximately \$900M in 2008.

2002. The attendees at these annual strategy and update meetings consisted of division managers, functional vice presidents (VPs) and managers from the different subsidiaries in Europe, the United States, Latin America and Asia. The discussions during these meetings were taped and transcribed in full and made available for our research purposes. Furthermore, we conducted interviews with CR officials and managers of field offices in Latin America and Asia during their frequent visits to CI's headquarters in Israel. The type of data generated through our fieldwork, including observations, documentation of both crisis-related events and other managerial meetings, discussions and personal narratives, is essential to a study on sensegiving, which is innately predicated on such accounts (Maitlis and Lawrence, 2007).

Additionally, we conducted indepth, semi-structured interviews with a sample of managers in the CI and CR groups stationed in Israel, Europe and the United States. From 1997 to 2004, we completed 108 interviews in total, including two each with CR's owners and three former CI chief executive officers (CEOs). The majority began in a semi-structured format, utilizing prompts from the researcher, with targeted questions added during repeat sessions. The interviews, which lasted between 45–90 minutes, were tape recorded and transcribed in full. The content of the interview protocol was directly related to sensegiving and probed the ways in which managers interpreted and understood organizational issues and events in real time. For example, we asked about how they confront competitors; their thoughts on CI's strategy; their tactics and strategies of action in dealing with headquarters regarding sales targets, the details of logistics, products and services and customers relations. We covered a series of organization-wide issues, such as the division of labor between headquarters and subsidiaries, including allocation of resources, their sense of autonomy (or not), the nature of managers' status, rights and obligations as they might have varied across locations and the relationship between the different headquarters' and their function within the parent firm. Human resources (HR) operations were also a topic of note – for example, how managers were appointed, their employment conditions and overall labor relations. Finally, we also probed managers' interpretations of the firm's public relations – with the authorities and with the public – which were precarious due to the pollution associated with CI's production process. Specific times were devoted to interview veteran workers and managers concerning CI's founding, history and background, as well as to collect archival records kept at the company. These records were comprised of both newspaper clippings, as well as a compendium of founders' stories on the early days of CI. We also asked several key informants among CI's managers and employees – including its internal union

representatives – to reconstruct the corporate legacy and to assess current strategic and operational issues in light of the organization's history.

Participant observation

One of the researchers conducted long-term ethnographic fieldwork at CI. Ethnographic research, which is an interpretive in nature, allows the researcher to become immersed in the organization and to observe the micro level of interaction personally and intimately (Neyland, 2008). It provides an emic, or insider perspective, which would reveal the nature and the intricate dynamics of conflict and power games within an organization. This was a primary consideration in designing this study, and we relied heavily on intensive field observation, which allowed us to permeate organizational boundaries and to supplement our interview data with rich, day-to-day accounts. Participant observation for this study entailed attendance at daily staff meetings that addressed technical and content details at the firm and then documenting the process with detailed field notes to capture the implications of the organizational decisions enacted during these meetings. Further, participation in weekly meetings with the division managers and the VP for HR became an established fieldwork practice, providing a unique opportunity to develop close relations with them. This, in turn, facilitated the researcher's acquaintance with the inherent conflicts embedded in CI and the managers' various reactions to such conflicts. As valuable as the data he collected from regular participation in the daily and weekly meetings proved to be, the major advantage of a long-term presence at the organization was the ability to triangulate data from multiple types of fieldwork – participant observation conducted in real time and *in situ*, indepth interviews and collection of current and archived organizational documents.

Furthermore, immersion in the field entailed the development of close researcher-informant relationships. Based on an ongoing reciprocity and constant mutual learning, we were able to tap into people's knowledge and their interpretation of the organizational conflicts – many of which offered remarkable academic insights into the process of power games and sensegiving. Since respondents were so familiar with the organizational conflicts and their implications for CI and CR, they tended to offer their own views – in other words, true insider perspectives (Bartunek and Reis Louis, 1996). They came forward with suggestions regarding various aspects of the research, including relevant questions we should be asking and provided their personal interpretations of various conflictual events or power games. Indeed, CI's managers deserve the title of “auto-ethnographers” (Neyland, 2008), as together with the ethnographer, they engaged in a constant reflexive examination and comparison of the organization's

inherent conflicts against actual events occurring on a day-to-day basis.

Caveat regarding data collection

For the entire period of data collection, one of the researchers also served as a consultant to the firm (see also Gioia and Chittipeddi, 1991). At the outset, CI's owner, chairman of the board and CEO, approved conducting research alongside the consultancy work, including the collection of systematic data for our study. The researcher experienced full co-operation on behalf of all involved, and managers and employees knew about the research and its exact purpose and objectives. The dual endeavor was presented to the managers and employees before the actual consulting work started. Having been in such a situation before, the researcher was initially engaging in two basic activities – formal learning within the firm and a long period of immersion and building trust between non-management organizational members and the researcher. The latter task proved the most difficult, as the researcher-consultant had initially worked for the management. Indeed, such positioning within the company required a constant awareness of the researcher's dual identity and the responsibility involved in taking on such an endeavor, which meant a different frame of reference (Adler and Adler, 2008).

Performing consulting as well as data collection implied a process of stringent self-criticism and constant reexamination of the interrelationships with informants, especially since the informants would demand to know in which capacity questions were posed. We utilized a method by which a second researcher took a more detached and critical view of the data, looking for biases stemming from the first researcher's dual roles and deep involvement with CI (e.g., Gioia and Chittipeddi, 1991). Moreover, our analysis required constant assessment of the data and a strict selection process aimed at differentiation between that information collected for the purpose of consulting and that which was related to the research. However, the extra effort was well worth it. The ability to conduct long-term, in-depth fieldwork of this nature yielded a wealth of data, and through the consultant's full immersion into the organization, the team gained an intimate knowledge of CI's conflicts, their origin and the ways managers give sense to their position and justification regarding conflicts and power games. Furthermore, the long-term work at CI facilitated the collection of "thick" data, which is rarely available to an organizational researcher.

To alleviate some of the constraints related to data collection during consultancy activities, a different researcher conducted separate interviews with nine managers, including the CEO, division managers and the director of human resources at CI. These interviews

were scheduled and focused on sensegiving mainly by exploring relationships between headquarters and field offices, production and marketing, and labor relations. The latter issue was particularly salient, because at this time, numerous strikes and labor disputes were disrupting production and all CI activity was being closely scrutinized by the media.

Data analysis

We followed two streams of methodological thought that guide the analysis of qualitative research. First, we employed an inductive analysis method (Eisenhardt, 1989; Miles and Huberman, 1994; Yin, 2003). Second, we adopted an analytical scheme, which begins with first-order analysis based on empirical data and moves on to second-order analysis, which involves the use of theoretical interpretations. Numerous studies on sensemaking use such analytical schema to explain issues associated with change and identity (e.g., Nag *et al.*, 2007; Gioia *et al.*, 2010).

Accordingly, we first organized the collected data in accordance with the leadership and stakeholder communities we identified within the organization: (1) the headquarters in Israel; (2) the field offices (overseas); and (3) the holding company in the United States. Each database was then coded and the first-order categorization conducted by carefully sorting out the data and identifying ideas, incidents, events and narratives that related to conflicts. Analyzing the contents of the categories within each of the stakeholder communities revealed several common sensegiving themes. For example, ChemInd's pioneer legacy cut across all the major issues identified, as well across the leaders' and stakeholders' sensegiving accounts concerning organizational contexts and managerial strategies. The next stage of analysis involved organizing the data into categories of who "owned" the sensegiving and outlining the associations between various narratives and actions associated with conflict. This stage involved searching for links among categories and grouping categories along certain thematic issues, which in turn facilitated the formulation of second-order categories. This cross-sectioning process served to consolidate the core first-order categories, which facilitated the move to the second-order categories (see Table 1). The final stage involved singling out sensegiving processes associated with power games. Table 1 illustrates the process of categorization, moving from descriptions of issues and subjects that originated from the members of the organization to more conceptual framing of power games. Our schema does not represent a causal model but is rather an illustrative model of the themes through which the legacy of the organization fostered a context for inertial management.

Because our data was triangulated from various sources, we are confident about its reliability with regard

Table 1 Data structure: relationship between first-order & second-order sensegiving accounts and meaning & power games

<i>Domain</i>	<i>Sense giver</i>	<i>First order categories</i>	<i>Second order categories</i>	<i>Power games</i>
Headquarters vs. field offices	TMT	Monopoly over the market through field offices that assign distributors	Managerial reasoning for market advantage	Control
		Managers' practices and routines of reporting and implementing policy and directives	Sensegiving of top-down managerial domination	
	Field offices	Advocating changes in strategy by providing evidence from the market	Bottom-up sensegiving to alternative strategies	Confrontation
	TMT	Justification of bypassing field offices in their territories	Sensegiving by discrediting and bullying the field offices	
	Field offices	Cases of divisional practices that undermine field offices' authority	Sensegiving through complains and claims of poor practices by headquarters	Tradeoff
	TMT	Manifestation of crisis as reason for maintaining the same strategy	Sensegiving through declaration of crisis	
	Field offices	Evidence of crisis that need changes	Sensegiving that calls for change	Wake-up call
	TMT	Emphasis on mobilization for confronting the crisis	Sensegiving that gives primacy to urgent action	
Field offices	Focus on measures and actions that could help to compete effectively	Projecting a better future due to change		
Headquarters vs. holding company	Owner	CR attempt to overcome the crisis and use it to leverage its competitive advantage	Justifications for regaining global market leadership	Necessity
	TMT	CI concerns over CR attempts to dictate strategy that would result in better integration	Sensegiving by justifying CI's supremacy	
	Owner	CR strategies of integration of the entire group and reining in CI	Sensegiving based on legitimate rights of ownership	Antagonism
	TMT	CI list of complaints against CR and its perceived "birthright"	Sensegiving via blaming	

Table 2 Sensegiving domains and repertoires of power games

<i>Sensegiving domain</i>	<i>Power games</i>	<i>Definition</i>
Headquarters vs. subsidiary field offices	Control	Exercising measures for the sake of enforcing one's preferences
	Confrontation	Looking for a fight
	Tradeoff	The benefit of giving up one strategy for another
	Wakeup call	Sounding the alarm before potentially grave consequences
Headquarters vs. holding company	Necessity	Highlighting perceived need
	Antagonism	Individual dislike fuels and justifies rivalry and hostility

to the power games we identified (Maxwell, 1996; Denzin and Lincoln, 2004). Further reliability was achieved by presenting our main findings to key informants at the firm and incorporating their insightful comments and feedback into our analysis (Stewart, 1998).

Findings

The power games and inertial tendencies occurred mainly in the following organizational domains: headquarters vs. subsidiaries (field offices) and headquarters vs. holding company. We found that these two domains were highly prone to power games during times of crisis, as they are the arenas crucial to both everyday and strategic decisions that influence a company's well being. Table 2 summarizes the different types of power games

that occurred in each of the respective domains while Tables 3 and 4, presented at the end of each set of findings, provide representative quotations of the sensegiving accounts associated with them.

Headquarters vs. field offices

Headquarters' sensegiving of inertial tendencies

During the period of the study, CI underwent a crisis due to a loss in market share and customers. As a pioneer in potassium nitrate applications for chemical fertilizer and its derivatives, CI had enjoyed a near-monopoly position for quite some time. Early on, it successfully generated demand for its products and established itself as the standard-bearer of the specialty agro-chemical industry. The company did so by employing agronomists whose

Table 3 Representative quotes of sensegiving according to power games

Headquarters vs. field offices

Control*Headquarters*

You claim that I'm strengthening my grip over you [the field offices]. This is maybe true, but we are in times of crisis and we have to stick closely to our divisional budget. If my neck is on the line, so is yours (Industrial division's manager, strategy meeting with field offices June 2000).

Field offices

It is a time of crisis and our role is reduced to being mere messengers or carrying out the headquarters' directive. We have not much judgment or autonomy in important business. They [headquarters] hear our voice, but what about taking our advice. After all, we are in the field, and we know exactly what is going on in the market and with our customers (Belgian office manager, Interview, 2002).

I sent endless reports and analyzed the markets, competition and opportunities. It seems no one at headquarters took our reports seriously; they were totally overlooked. Headquarters demoted the information to a status of nice to have. They avoid our recommendations, assessment and knowledge, so let it be – it is not our responsibility to cover for their incompetence (French office manager, Interview, 2002).

Confrontation*Headquarters*

Office managers misconstrue their position. They should serve the division and implement its strategy and not the opposite. But they think they know better and try to impose their strategy on the division. They lack a systemic view; they're aware of their own turf only (Agricultural division manager, Interview, 2002).

Field office

I was sitting in the warehouse with one of the distributors, trying to convince him that our products were of a better quality than those of a major Chilean competitor. I was arguing for keeping prices up, claiming that this point was beyond compromise. A few days later, I was informed by the Division that they had sold directly to the same distributor at a lower price than I was offering. To add insult to injury, the division's marketing manager visited this same distributor the same day I was there, but later in the day. The distributor manipulated both of us and was able to lower the price. I was never told about his expected visit. It was the most humiliating experience in my professional career (Mexican office manager, Interview, 1999).

Tradeoff*Headquarters*

The field offices have to realize that we are in a crisis and now they have to understand that it is not that we don't understand strategy and the importance of diversity of products or package of services. It is just that there are times when you need to focus on immediate results, so that later we will have the resources to implement grand strategy (CI's CEO, strategy meeting, February 2000).

Field office

CI senior management became reticent about considering market development seriously, and preferred a "one size fits all" approach to distributors and end-users. The tradeoff, we were told, is between spreading ourselves thin and working in an area that is not our core specialization or doing what we do best – produce and sell bulks of potassium nitrate (Spain country manager, Interview, 2002).

Wakeup call*Headquarters*

The crisis was "on the wall" for a long time. We can't deal now with what we had to do, but our first priority is to rally everyone behind the task of improve our production and quality. This is how we will regain the market (VP, operations, management meeting, May, 1998).

Field offices

[As] I told [the chairman of the board and the CEO] the Chileans attacked us in those areas where I had invested tremendous efforts to develop the need for chemical fertilizer. Often, they offered not only competitively priced the chemical fertilizer but also an attractive product mix.

These were accompanied by corresponding services such as training and computerized fertilization. I was overwhelmed by an alliance of North European and Chilean manufacturers of liquid solutions – even though liquid fertilizers require expensive techniques. Since they [the manufacturers] subsidized the technology, many growers increasingly moved to liquid (Office manager, Spain, 2003).

task it was to provide technical information and practical advice on specialized product applications, with a large team of sales agents overseeing marketing and distribution. Since CI had successfully introduced an innovative product to the market,³ the perspective adopted at headquarters emphasized the inherent value of uniqueness of its product. Ensuing organizational goals and practices emphasized the pioneer qualities of the product but neglected changes in the market, including the emergence of competitors that considerably diluted CI products' distinctiveness. As the CEO at headquarters explained:

I developed the market from zero to one million metric tons a year [and] concentrated mainly on one product . . . diversifying only with regard to product qualities and characteristics – for example, granular and crystalline products. I looked at the market as one monolithic entity and didn't bother to take advantage of our leadership position. I wasn't aware of the importance of market segmentation, entry into synergistic fields, and offering a wide array of products. As things were going well, I saw no need to invest in the market. I [at headquarters] had scant knowledge as to our customers and the applications they needed. (Interview, 2002)

Thus, the CEO's sensegiving focused on the firm's leadership in its field, disregarding its competitors. His account reveals the management's narrow view of its

³It is impossible to be more detailed about how ChemInd's success skyrocketed, or its particular products, without breaking the firm's anonymity.

Table 4 Representative quotes of sensegiving according to power games

Headquarters vs. Holding Company

Necessity*Holding company*

My dream is to become a Fortune 1000 company in five years. This can't be done without a blunt and effective efficiency plan (Interview with the owner, 1999).

They should adopt our policies, and the first stage of integration is implementing our HR policies (The holding company VP, Interview, 2001).

Headquarters

[CR's owner] is looking out for himself, not for the company as a whole – and forcibly introducing a shortsighted strategy predicated on immediate returns – for himself (Former ChemInd CEO, Interview, 2003).

CR's report on integrating HR systems is an obvious attempt to control us. They think that with a new CEO, such control will be easier after years of seeming humiliation, when the owner has to ask permission to visit. I won't let them control us; if they want a common HR system, let's do it our way. I am the biggest member in the group, generating more than 80% of group revenues, so I, CI – and not this novice HR manager at CR – has to have the last word (ChemInd's VP for human relations, Interview, 2000).

Antagonism*Holding company*

ChemInd is not the only child in my group. No one disputes its importance and contribution, but we have other companies in the UK, Hungary and the US, and none behave like the Israelis, who would like to see themselves out of the group (Interview with the owner, July 2003).

Headquarters

I expected the parent company and Chairmen of the Board to be involved and to influence policy decisions, strategy, business development, to manage crises, and so forth. Instead, CR was involved solely through paperwork, reports and memoranda, while displaying a lack of collaboration and transparency (CI, CEO, letter to the owner, August 2005).

business environment (Maitlis, 2005). Headquarters never abandoned the production paradigm that was the company's heritage as a pioneer, so CI never developed a fully aligned market orientation. As a predominantly production-oriented MNC, it offered its products to major agricultural input distributors within an agricultural output package. For a producer with no marketing connections or knowledge, CI's strategy of allowing distributors to promote and oversee delivery of their products was initially cost-effective.

For almost three decades (1960s–1990s), the market grew steadily in value, volume and capacity. As rapid and sizable growth multiplied the demands placed on logistics, quality, inventory control, sales and financial management, the company was unable to sustain its early growth. After initially concentrating on market development, CI found it increasingly difficult to maintain its market presence, and reorganization was deemed an appropriate solution to the challenge. As one of the division managers remarked, "I relied on our distributors and agents, who buffered us from our customers. ChemInd consciously decided not to challenge distributors and shied away from the end users". This remark reflects sensegiving that illustrates the need for a new strategic approach. An internal memo, which was presented by one of CI's divisions to rebuff the common sensemaking prevailing at CI regarding its perception of the market, specified the fault of the inherent production legacy and mandated a different approach towards the market. This category of sensegiving highlighted the stagnant, "production-first" priority. An internal report to the CEO provides an example:

Headquarters seems to think as if they were still a single-product driven company with a near monopoly

position. Management rarely mentions new applications, customer needs or new products, all of which are highly relevant in a competitive environment. All they talk about is production tonnage rather than the dollar volume of sales. When you ask them how much they have sold, they multiply tonnage produced by average prices . . . Tons should not be the focus of a diversified, customer-driven company simultaneously supplying a range of products to varied markets (Internal memo, October, 1999).

However, as the next section illustrates, CI's management at the headquarters and the field offices employed power games in order to make sense of their conflicting interests and agenda. This is in spite of the fact that they both define the situation as a crisis.

Table 3 provides representative quotations by managers from the headquarters and the field offices that give sense to their contradicting interpretations of CI's crisis and the different meanings of its gravity, including the strategies of action required to confront the crisis. They align into four different categories of power games, as described below.

Control power game. ChemInd's establishment of field offices in major market areas during the late 1980s was associated with the need to nurture its sales force. The offices focused primarily on facilitating quality, technical and logistical service and second on tracking local market trends for changing needs and growth opportunities. These offices co-operated with local salespersons and distributors, yet, the top-down, top-heavy, and centralized structure at CI soon generated conflicts, as headquarters circumscribed the autonomy required by the field offices to achieve their goals. Especially during the

crisis, the need for control was seen as a measure by headquarters to achieve its goals under tight pressure (see Table 3).

From the point of view of the field offices, the control power game also led to ineffective communication and co-ordination. This in turn inhibited direct and efficient contact and timely problem solving. Cumbersome processes were exemplified by archetypal top-down messages that forestalled immediate communication with the units directly dealing with the issues at hand.

As one of the field managers contended:

The control exercised by headquarters is suffocating me. They think that they know the field better than I do, even though they are in Israel and I am here, in Asia. They try to exert control through frequent visits, but believe me, 90% of their travel budget is superfluous. These visits do not add a single ton to sales; worse, they make us look ridiculous because our customers see us as squanderers. People come all the way from Israel for a two-day visit that can't be justified (Thailand's office manager, Interview, 2000).

Manifestations of stakeholders' sensegiving reflected their concerns over subjugation to CI's internal production needs and priorities at the expense of marketing and business development. Headquarters' control imposed a strict patronage attitude and essentially restricted field offices' autonomy. In essence, field offices were to serve as logistical and service conduits for the company's sales and marketing operations. They were responsible for co-ordinating supplies of products and related activities (storage, documentation, finances) as well as responding to distributors' complaints and needs regarding service, product quality and specifications, technical support and marketing. Included among their responsibilities was expanding the business in their respective territories.

Confrontation power game. The interdependence between the field offices and the distributors interfered, however, with construction of an appropriate balance between the offices' support role and active involvement in the market. This ambiguity often escalated into friction between the field offices and headquarters, with the latter coming to feel that their grip on the market had loosened. Accordingly, the leaders' sensegiving emphasized power games of confrontation, which reflected the challenging atmosphere that sometimes led to headquarters personnel acting without consulting local managers – behavior that the field offices believed undermined their authority and effectiveness. Consider the following account, which exemplifies a dimension of sensegiving at CI that allowed field offices to engage in confrontational power games:

Sometimes divisional sales and marketing managers come to my area and meet customers without me. A

vivid illustration of this practice is an incident when a divisional marketing manager met with a key customer, and in the heat of negotiation, lowered the price because the customer promised to buy larger quantities than usual. When my other customers heard about this deal, I was under a lot of pressure to reduce their prices as well. I lost a lot of money because of this "great" deal (Interview, 1998, field manager, UK).

The ensuing lags behind market developments created a sense of being stranded in strategic erosion. With inertia seeping throughout the breadth of the CI organization, its inadequate business conduct supported competitors' attempts to undermine its hegemony. The firm simultaneously stifled innovation and creativity, which in turn simply increased its dependence on its distribution channels. It soon became clear that resources could not be directed toward market development. The contradictory narratives of both leaders and stakeholders comprised a sequence of competition among sensegiving accounts, which emerged, evolved, and were enacted within an inherent conflict over the identity and actions of CI. This incongruence influenced the ability to link organizational capabilities, structure and culture between headquarters and field offices. ChemInd's internal environment was thus characterized by ongoing intra-organizational strife and demoralization.

Tradeoff power game. Since it initiated global marketing activities in the late 1960s, CI had focused mainly on major, multipurpose agricultural distribution channels, which usually operate through a secondary distribution tier and local agents that ensure substantial domestic territorial coverage and specialization. Although this system facilitated product introduction, the tradeoff involved reducing CI's legitimacy as a direct marketer. Its leaders' abandonment of commercial relations with end-users in favor of a dependence on major distribution channels constituted a strategic cornerstone that strongly affected the distributors' emergence as the dominant business entity in the system. The distributors had substantial power to thwart any attempts by CI to penetrate the market by playing a power game based on trade-off. The Italian field office manager "gives sense" to CI's relations with its distributors: "It's a tradeoff, as long as I meet our targeted volumes, they (CI) don't interfere in our market." For CI, such arrangements contributed significantly to growth in production but eroded the company's ability to enhance its key competitive advantage as the industry's pioneer firm.

From the 1970s through the mid 1990s, CI's periods of near-monopoly, the distributors' power, supported by their exclusive rights to market CI products, was curtailed by CI's ability to control supplies and prices. But the lack of direct links to end-users forced CI to rely on its distributors' loyalty and knowledge of changing

consumer trends and developments in the competitive market. It was essentially a symbiotic relationship. But management's complacency with the successful status quo halted the company's responsiveness to the market and defeated both proactive and preemptive strategies. Thus, leaders' sensegiving can be construed as cementing biases rooted in a near-monopoly status and a marketing system based on independent distributor channels. As this strategy was inadequate to influence and/or adjust to task-environmental conditions, it curbed the firm's capacity to exploit market opportunities. Long-term strategic interests were sacrificed for short-term objectives: CI failed to keep up with developments and staff at headquarters became increasingly conservative, doggedly escalating its commitment to historically successful strategies. As the organization became ensnared in red tape and handicapped by a change-averse culture, it never accumulated the resources, co-ordination, or flexibility needed to advantageously penetrate newly emerging market niches. Whereas headquarters emphasized production and saw the ultimate aim as increasing sales, the field offices realized that products should be only part of their diversified strategy. For example, the Italian field office attempted to pursue an approach that would blur its exclusive association with the provision of fertilizer, focusing on plant nutrition. In emphasizing the importance of the fertilizer, which accounted for 70% of sales, headquarters imposed a strict top-down approach, one that essentially restricted field offices' autonomy. However, this control was sometimes confronted unexpectedly by a local response, which drew its legitimacy from the situated context. For example, while visiting the Mexican office, CI's agricultural division manager was introduced by the local office manager to one of its key distributors. In advance, the local manager asked the distributor to review the Mexican market and to endorse local strategy of lowering prices as a response to Chilean competition.

Wake-up call power game. During the late 1990s, CI's two leading competitors developed strategic alliances in some of the European markets. At the same time, a decline in agriculture reduced demands for CI's chemical fertilizer worldwide (Rondinelli *et al.*, 2001). Eventually, a crisis ensued, as sales targets did not materialize. An urgent marketing meeting, during which the chairman of the board addressed the managers in an attempt to "give sense" to the crisis, was convened in 1999. The sensegiving by the chairman reflected a wakeup call, power game tactic. The wakeup call game involved giving sense to threats from external stakeholders rather than on internal assessments. Thus, CI's competitors were brought into play to serve as "evidence" for this eye opening form of sensegiving. It also addressed internal negligence as the reason for being defeated by the "enemy" – competitors. In a management emergency

meeting (2001), the chairman of the board lamented, "We all fell asleep while guarding the camp. The enemy is right in our midst." Such sensegiving reflected the perceived mistake of unawareness. Thus, the chairman of the board organized sensegiving to acknowledge the changes in the market in an attempt to achieve consent for action (see also Weick *et al.*, 2005), while ignoring the root reason for the deteriorating relationships between headquarters and the offices that were characterized by different strategic point of views.

Headquarters vs. holding company (CI vs. CR)

The rivalry

Table 4 illustrates the bitter rivalry between the American holding company and the Israeli headquarters, as manifested in a series of power games used to justify certain strategies and activities to each other. Most veteran CI employees and senior managers believed the US investor that owned the firm, ChemRes, was primarily interested in maximizing short-term revenue, paying off debt and obtaining higher returns on its investment; it was not perceived as having any long-term strategic interests. Furthermore, the process through which CR acquired CI was inextricably related to the political connections maintained between the American investor and a former Israeli industry and commerce minister who had decided to privatize CI. For both workers and management, it was clear that CR's owner had been able to leverage political connections and personal friendships, and they viewed his commitment to the organization and employees well-being, though often declared, as lip service. As a senior CI manager stated in an informal conversation:

We in Israel are giving our sweat and blood to this company, working in a dangerous environment and with poisonous materials. The government invested endless millions in R&D. The owner who bought the company because of political connection has no legitimacy to go through cost cutting on the back of the local workers and managers. If he doesn't know how to run it, let's do a management buy-in (Interview with operation manager, 1999).

Moreover, CI's senior managers frequently used to express their frustration about the company's stagnation and its inability to actualize bold change. In particular, in the face of its emerging competitive environment, CI's senior management engaged in sensegiving motivated by their assessment of CR's owner as opportunistic. This also had a more blunt manifestation. Management regularly complained about the "absentee owner", highlighting the fact that the owner only rarely visited what they

referred to as his “cash cow”. In an interview with one of the ChemInd CEOs, he candidly admitted that he didn’t “encourage” the owner to visit the plant because he feared the “employees’ unwelcoming reception.” In fact, all their working meetings took place at a hotel in Tel-Aviv (Interview, July 1999).

Necessity power game. With crisis looming, ChemRes’ owner played a necessity game that justified his strategy of what he termed “change through continuation”. He linked the risk entailed in CI’s acquisition, which was highly leveraged financially, with the need to maintain its position as a premium producer of fertilizer in order to boost revenue and reduce the debts incurred by its purchase (see Table 4). In contrast, CI’s management challenged the intentions of CR’s owner, and senior managers pointed to his resistance to continue the CI policy applied during the 1980s and early 1990s, which aimed at keeping the price of its product low to protect its markets. Some senior managers felt that the owner’s concern for maximizing profits was a ploy to maintain tight control, and that this was why he objected to joint ventures and was reluctant to share information. They also believed that this explained his tendency to select authoritarian and centralistic managing directors rationalized the strategic focus on short-term gains and reinforced the production paradigm.

The ownership structure and internal managerial strife related to the division of tasks and authority between CR and CI forestalled any common initiatives. For example, an attempt to institute common human resource policy and practices for the group failed, because CI and CR were simply unwilling to co-operate – beyond declaratory statements of intent. ChemInd strived to create a common HR policy as a lever for global growth and as a tool for instituting a unified approach to major strategic issues associated with HR policies – management evaluation, recruiting or internal promotions and position shifts. In the following passage, CR’s owner gives sense to its initiatives an attempt to create a common culture:

The problem of creating a common denominator in HR strategy should be viewed against the backdrop of CR’s diversity. CR is an amalgam of companies, each of which has its own culture and HR practices. HR strategy should reflect the respective companies’ business environments and organizational fit. In creating a common HR system, we should consider the various companies’ HR strategies and CR’s basic values and objectives (Interview, July 1999).

The human resources policy debate reflected sensegiving that framed intra-group diversity and differences as a starting point while viewing concrete action towards cohesion and synergy (cf. Weick *et al.*, 2005). However, the conflicting presumptions between CI and CR unfolded through sensegiving that reflected the compe-

tion over hegemony and legitimacy between the headquarters and the holding company.

Antagonism power game. ChemInd management believed that CR intervention should be limited. Its sensegiving revolved around a narrative that constructed and promoted understanding CI activities as antagonizing toward CR. The power game of antagonism gave sense to events, processes and strategies always presented as a corollary of clashes between CI and its holding group or between CI management and its owner. The conflicting perceptions of CR’s role and authority regarding its subsidiary resulted in a lack of communication, greater suspicion and mutual accusations – attitudes contrary to CR’s declared policy of global co-operation and openness. Clear evidence of sensegiving based on such conflicting perceptions can be seen in the antagonism power game, waged during the rupture between CI’s CEO and CR’s owner. An example is expressed in the following excerpted narrative from a letter of resignation sent by CI’s CEO to CR’s owner in August 2005.

Where have I failed?

Doubtlessly, I have failed in my communication with CR. Despite my sincere attempt to open doors for you and to reassure you that CI is part of CR and that I am a CR person . . . In addition, I did my utmost to make [CI] management see CR as a true parent company and not as a burden, the case in the past. Yet I have failed – because you are blaming me for separatism and arrogance.

I feel you at CR downplay the importance of direct and open communication. You underestimate the need for close familiarity with CI and its management. I oftentimes experience circumstances contradicting your declared policy of co-operation and openness.

The sensegiving repertoire engendered a process that enhanced estrangement between the parties. This conflict manifested itself in a variety of corporate issues but was demonstrably rooted in CI’s legacy. ChemInd management constantly challenged CR’s legitimacy and its owner by giving sense to its history and its dominant position within CR in terms of business and revenue. CR was never considered by CI’s management and employees as a true parent company; the sensemaking process at CI was actually geared towards sustaining the conflict with CR. What is interesting about CR’s response to CI’s sensegiving, which aimed at perpetuating the internal conflict, was that CR’s owner chose to maintain a reactive position. His sensegiving was characterized by searching for a consensus on corporate strategy through recognizing the source and legitimacy of the inherent conflict with CI. In this regard, his sensegiving was unconsciously biased toward perpetuating the conflict as

Historical legacy of pioneering	Organizational domains		Power games		Outcome
	Headquarters vs. Field Offices	➔	Control Confrontation	➔	Sensegiving based on management advocating against change
	Headquarters vs. Holding Company	➔	Tradeoff Wakeup call		Sensegiving based on field offices' view of the need for change
			Necessity Antagonism		Sensegiving based on the holding company aiming to initiate change and the headquarters' objection to change

Figure 1 Conceptual framework of power game practice of sensegiving in CI

well (Weick *et al.*, 2005, p. 409). Table 4 represents the sensegiving attributed to such power games between the headquarters and the holding company.

Discussion and conclusions

Crozier (1964) maintains that games to control uncertainties are used within pre-determined power structures. Furthermore, power games are used by actors to manipulate others within the power structure (Crozier and Friedberg, 1977). Our research is consistent with these assertions. Our findings further suggest that sensegiving is used by managers, via power games, for the sake of construction of meaning that may influence others – and not necessarily as a reiteration of the existing power structure. This is crucial for headquarters of MNCs, which because of geographical and cultural considerations, experience difficulties in controlling their subsidiaries. In this case, sensegiving by managers, and in particular, the opposing accounts considered as necessary for justifying the headquarters position, constrained change beyond the formal structure of control and within the normative sphere. Thus, sensegiving is used to preserve diverse meanings, and varying interpretations stem from the fact that the organization is spanning space and culture, rather than a real challenge to formal authority.

The data presented in Tables 1 through 4 and the model illustrated in Figure 1 provide evidence that suggests that the power games at CI and CR were strategies reflecting a specific meaning making agenda associated with a period of crisis.

As Figure 1 illustrates, there were two primary domains of power games at CI and CR. The first involved field offices (middle managers) versus headquarters (top management). The power games within this domain were characterized by sensegiving focused

on the necessity for change and its business implications. This is because both middle and top managers, albeit bearing different views and understandings, were weighing their strategies of action within a dynamic context. The second domain of power games involved the headquarters and the holding company. In this case, the power games were not only confrontational, but also tended toward giving sense to managerial issues through a personal lens. This is not so uncommon among the top management echelon, notwithstanding the high stakes involved (for example, CEO compensation).

The different sensegiving employed by managers, using power games as a “meaning construction mechanism”, reaffirmed the diverse views of the crisis within the organization’s hierarchical structure. As Figure 1 illustrates, each power game represents different sensegiving by different actors, which ranged from creating meaning to preventing change to advocating change. On the whole, they were conflictual and contested episodes of sensegiving (even if they did not always challenge the formal hierarchical structure), and they fostered inertial tendencies rather than change. We would expect that in an MNC, the stronger the power games that give sense to consent on strategies that are beneficial to both headquarters and subsidiaries, the more likely it is that such change would take place. Further research would reveal the conditions under which power games are used to give sense to the actual implementation of change.

Although research on sensegiving by managers is prevalent throughout the literature, less is known about the relationship between sensegiving and power games in organizations. Sensegiving studies (e.g., Maitlis and Lawrence, 2007), acknowledge the fact that persuasion and meaning creation is an integral part of the role of top management, yet the confrontational side of management’s sensegiving to others is rarely addressed. Some literature explores the sensegiving of top managers while implementing change (e.g., Gioia and Chittipeddi,

1991), but little is known about how management sensegiving inhibits change. During organizational crisis, management may strive to mobilize members and stakeholders behind its action and strategies. However, there are instances, like the case of ChemInd, in which crisis accentuates fragmentation and conflicts in spite of management attempts to rally the organization behind its strategies. Absent from the literature on sensegiving is work on the ways in which managers engage in power games to sustain inertial tendencies in time of crisis and to guard its conviction against change. This is the primary gap in the literature that we address in this paper. Another important contribution of our study is the demonstration of dyadic sensegiving through power games. We show how power games are played by differently motivated protagonists, each presenting an opposite sensegiving account that furthers his or her interests and attempts to influence the way others understand and perceive organizational reality.

Our findings suggest that sensegiving is an encompassing process, used by various managers as a way to influence others. However, sensegiving is also a strategy to enforce top management meaning upon others by not only advocating its own account, but also by allowing others to present their own meanings and to give sense to an alternative way. Thus, sensegiving can reiterate the management's position, not only by promoting its own sensegiving, but also by allowing an alternative sensegiving to be presented. We demonstrate that such a dynamic is enacted through power games that represent the arena of contestation of the two protagonists. For the top managers at CI, the sensemaking accounts justified action and strategy while opening room for their subordinates to give sense to their own interpretation and meaning. Thus, power games can present a sensegiving of confrontation and contestation, but nevertheless result in compliance, and eventually, internal legitimation for top management, a reiteration of the common structure of domination (Crozier and Friedberg, 1977).

Further, our findings suggest that sensegiving often reflects an organization's power games, which tend to mirror endemic intra-organizational strife and fragmentation (Weick, 1995). Nowhere is this clearer than in the case of CI headquarters trying to preserve its "one-size-fits-all" model, as contrasted to the field offices' desire for diversification. Theoretically speaking, the linkage between power games and sensegiving involves conflicting accounts that may not necessarily dialogic in nature but address key issues that take into account the following: First, the strategy of sensegiving depends on the relative position leaders and stakeholders occupies in the organization, their strategic goals, and the resources at their disposal. For example, in analyzing the interview responses of CI's leaders, we found that the sensegiving used in an antagonistic power game with respect to CR

was based on the symbolic legitimacy attributed to CI's "ownership" and symbolically delegitimizing CR's formal ownership. At the same time, leaders at headquarters ignored the "wake-up call" from field offices, which were seen as ignorant of corporate strategy and as pursuing sensegiving strategy based on formal relations between management and subordinates. The pattern of sensegiving of CI's leaders thus represented a claim for political power and a mechanism for asserting the CI management's claim for full control over the organization's strategic direction.

Second, stakeholders' sensegiving activities entailed power games that related to the core tenets of CI's business environment. In such context, sensegiving is used to underscore the need for a change in the company strategy and practices. Contrary to the leaders' sensegiving that aimed at perpetuating their past perception and belief – that to sustain its market position and niche CI should cling to structures and internal practices thought to have facilitated its earlier successes – stakeholders' sensegiving attempted to promote perception of the future. Finally, sensegiving pursued through power games is situational and based on context-oriented practices. Thus, in line with Maitlis and Lawrence (2007), we argue that sensegiving represents a self-perpetuating mechanism that reflects leaders and stakeholders' power relations, varied interests, conflicting stances within situational and contextual attributes within the organization itself. It is also linked to business processes transpiring within the environment. For example, while coping with relentless financial pressures, juggling priorities, and responding to unexpected crises, CI management preferred to pursue fragmentary and sectarian sensegiving activities by rejecting the sensegiving of its stakeholders. Power games justified sensegiving that ignored the expected outcome, even when that outcome was insufficient synergy among divisions, duplication of efforts, low morale and failing markets. Thus, we assert that sensegiving does not necessarily serve as facilitator of change – it may also serve as a process that inhibits change by guarding an inertial path or perpetuating internal conflicts. Our findings suggest that power games are used to give sense to a conflict for the purpose of legitimizing the sense givers' positions while simultaneously facilitating open debate over the issue on the agenda.

Rather than identifying sensegiving as a coherent account given by managers aimed at inculcating coherent, shared understandings among an organization's members, we suggest that power games are implicated in sensegiving. The sensegiving we observed exhibited the repertoire of power games that leaders and stakeholders mobilized for different strategies of action. Some were used for seemingly similar purposes – to preserve CI's hegemony as well as its control over the interpretation of strategy and action. Sensegiving thus

took shape within a specific context of power games, but importantly, not as an attempt to resolve conflicts within the organization or to streamline power relations but rather to strengthen inertial tendencies and to preserve stakeholders' control and managerial views of the organization and its mission.

This paper has depicted how conflict and power relations are ubiquitous to sensemaking and how multiple accounts are inherent in the sensegiving. The study has shown that sensegiving, when evolving from conflicting viewpoints, accounts, and actions (see also Maitlis, 2005, p. 44), can support dissension. Multiple uses of sensegiving may well serve the interests of a management that pursues an inertial strategic path bolstered by internal hegemony and interests, even if at the expense of better business practices and strategies. At ChemInd, sensegiving supported such a context, with various power games based on the pioneering legacy that originally served as the takeoff point for its leaders. Sensegiving was used to neutralize change that may have reflected upon CI management's power positions. In turn, stakeholders, such as field office managers, used sensegiving aimed at protecting their interests and legitimizing their own particular sensegiving accounts, which in contrast to leaders, often called for a strategic change. Furthermore, our case demonstrates that urgent and convincing narratives aimed at giving sense to top management (Dutton and Ashford, 1993), is not enough to tackle the tendency toward organizational inertia. This is mainly because top management teams tend to cling to an agenda that serves narrow strategic action, usually protecting specific organizational turf, which is considered crucial. A notable example in our case is the strong emphasis placed by top management upon protecting CI's core product (potassium nitrate) and its production.

Our case study, however, poses a few limitations, mainly because it privileges an indepth focus on a single MNC. Accordingly, the generalizability of sensegiving through power games for the purpose of avoiding change warrants further study. A key issue for future research would be to look at other contexts and conditions, such as organizations in different industries and in different stages of their life cycles. Other avenues might include a focus on national or regional cultural differences, especially in MNCs operating both in highly developed industrialized nations and emerging peripheral players on the global scene. As we demonstrate, sensegiving through power games has profound implications for an organization's ability to undergo change. This calls for further research that may look at power games as informal mechanisms used to erode structures of control by bypassing or ignoring managerial decisions or curtailing and "neutralizing" managerial action. Based on our findings, future research may take the task of studying how sensegiving through power games eventually contributes

to ambiguity in situations of change and how managers give sense to ambiguity, either to eliminate it or to live with it.

Our study indicates that sensegiving through power games can be used as an inhibitor of change within the context of MNCs. Furthermore, future research could show how cultural differences come to play while managers give sense to their perception, believe or action. Understanding how protagonists give sense to their point of view as a means to influence others is an intriguing phenomenon. This is partially because, as our findings show, power games at CI and CR were used not for resistance but for compliance. In the face of crisis, it is the top management who give sense through power games as a mechanism for expression of ideas or as a reflection of different meanings. Sensegiving that is rooted in conflict situations facilitates the tendency to hold fast and to and maintain the inertia while attempting to influence others. As power games involved other sense givers, it allowed them to express their own views and construct their own meaning, however, without real challenge to the structure of authority and control.

The implications of our findings suggest that managers could use sensegiving to better understand the mechanisms of power games as sophisticated managerial strategies for influencing others for the sake of guarding management positions, whether through maintaining inertial tendencies or initiating change. By using power games as a "voice", managers could create internal dialogue without altering the hierarchical power structure.

References

- Adler, P. A. and P. Adler, 2008, "Of rhetoric and representation: The four faces of ethnography". *The Sociological Quarterly*, **49**: 1–30.
- Balogun, J., 2003, "From blaming the middle to harnessing its potential: Creating change intermediaries". *British Journal of Management*, **14**: 69–83.
- Balogun, J. and G. Johnson, 2004, "Organizational restructuring and middle manager sensemaking". *Academy of Management Journal*, **47**: 523–549.
- Bartlett, C. A. and S. Ghoshal, 1989, *Managing across borders: The transnational solution*. Boston, MA: Harvard Business School Press.
- Bartunek, J., R. Krim, R. Necochea and M. Hamphries, 1999, "Sensemaking, sensegiving, and leadership in strategic organizational development". In J. Wager (ed.), *Advances in qualitative organizational research*. Greenwich, CT: JAI Press, pp. 37–71.
- Bartunek, J. M. and M. Reis Louis, 1996, *Insider/outsider team research, qualitative research methods*, vol. 40. Thousand Oaks, CA: Sage.
- Corley, K. G. and D. A. Gioia, 2004, "Identity ambiguity and change in the wake of corporate spin-off". *Administrative Science Quarterly*, **49**: 173–208.

- Courpasson, D.**, 2000, "Managerial strategies of domination: Power in soft bureaucracies". *Organization Studies*, **21**: 141–161.
- Crozier, M.**, 1964, *The bureaucratic phenomenon*. Chicago, IL: Chicago University Press.
- Crozier, M. and E. Friedberg**, 1977, *L'acteur et le système*. Paris: Editions du Seuil.
- Denzin, N. K. and Y. S. Lincoln** (eds.), 2004, *Handbook of qualitative research*. Thousand Oaks, CA: Sage.
- Drori, I., B. Honig and Z. Sheaffer**, 2009, "The life cycle of an internet firm: Scripts, legitimacy, and identity". *Entrepreneurship Theory and Practice*, **33**: 715–738.
- Dubinskas, F. A.**, 1992, Culture and conflict: The cultural roots of discord. In D. M. Kolb and J. M. Bartunek (eds.), *Hidden conflict in organizations: Uncovering behind-the-scenes disputes*. Newbury Park, CA: Sage, pp. 187–208.
- Dutton, J. E. and S. J. Ashford**, 1993, "Selling issues to top management". *Academy of Management Review* **18**: 397–428.
- Eisenhardt, K. M.**, 1989, "Building theories from case study research". *The Academy of Management Review*, **14**: 532–550.
- Fiss, P. C. and E. J. Zajac**, 2006, "The symbolic management of strategic change: Sensegiving via framing and decoupling". *Academy of Management Journal*, **49**: 1173–1193.
- Gephart, R. P.**, 1993, "The textual approach: Risk and blame in disaster sensemaking". *Academy of Management Journal*, **36**: 1465–1514.
- Gioia, D. A. and K. Chittipeddi**, 1991, "Sensemaking and sensegiving in strategic change initiation". *Strategic Management Journal*, **12**: 433–448.
- Gioia, D. A., K. N. Price, A. L. Hamilton and J. B. Thomas**, 2010, "Forging an identity: An insider-outsider study of processes involved in the promotion of organizational identity". *Administrative Science Quarterly*, **55**: 1–46.
- Gioia, D. A. and J. B. Thomas**, 1996, "Identity, image and issue interpretation: Sensemaking during strategic change in academia". *Administrative Science Quarterly*, **41**: 370–403.
- Kogut, B. and N. Kulatilaka**, 1994, "Options thinking and platform investments: Investing in opportunity". *California Management Review*, **36**: 52–71.
- Kolb, D. M. and L. L. Putnam**, 1992, "The multiple faces of conflict in organizations". *Journal of organizational behavior*, **13**: 311–324.
- Landau, D. and I. Drori**, 2008, "Narratives as sensemaking accounts: The case of an R&D laboratory". *Journal of Organizational Change Management*, **21**: 701–720.
- Levi, D. L.**, 2005, *Hegemony in the global factory: Power ideology, and value in global production networks*. Honolulu, HI: Hawaii.
- Maitlis, S.**, 2005, "The social processes of organizational sensemaking". *Academy of Management Journal*, **48**: 21–49.
- Maitlis, S. and T. B. Lawrence**, 2007, "Triggers and enablers of sensegiving in organizations". *Academy of Management Journal*, **50**: 57–85.
- Maxwell, J. A.**, 1996, *Qualitative research design: An integrative approach*. Thousand Oaks, CA: Sage.
- McNulty, T. and A. M. Pettigrew**, 1999, "Strategist on the board". *Organization Studies*, **20**: 47–74.
- Miles, M. B. and A. M. Huberman**, 1994, *Qualitative data analysis: An expanded sourcebook*. Newbury Park, CA: Sage.
- Morrill, C.**, 1995, *The executive way: Conflict management in corporations*. Chicago, IL: University of Chicago Press.
- Neyland, D.**, 2008, *Organizational ethnography*. London: Sage.
- Nag, R., K. Corley and D. A. Gioia**, 2007, "The intersection of organizational identity, knowledge, and practice: Attempting strategic change via knowledge crafting". *Academy of Management Journal*, **50**: 821–847.
- Rondinelli, D. A., B. Rosen and I. Drori**, 2001, "The struggle for strategic alignment in multinational corporations: Managing readjustment during global expansion". *European Management Journal*, **19**: 404–416.
- Rouleau, L.**, 2005, "Micro-practices of strategic sensemaking and sensegiving: How middle managers interpret and sell change every day". *Journal of Management Studies*, **42**: 1413–1441.
- Smith, A. D., D. A. Plowman and D. Duchon**, 2010, "Everyday sensegiving: A closer look at successful plant managers". *The Journal of Applied Behavioral Science*, **46**: 220–244.
- Stewart, A.**, 1998, *The ethnographer's method*. Thousand Oaks, CA: Sage.
- Swidler, A.**, 2001, *Talk of love: How culture matters*. Chicago, IL: Chicago University Press.
- Weber, M.**, 1968, *Economy and society*. Berkeley, CA: University of California Press.
- Weick, K. E.**, 1993, "The collapse of sensemaking in organizations: The Mann Gulch disaster". *Administrative Science Quarterly*, **38**: 628–652.
- Weick, K. E.**, 1995, *Sensemaking in organizations*. Thousand Oaks, CA: Sage.
- Weick, K. E. and K. H. Roberts**, 1993, "Collective mind in organizations: Heedful interrelating on flight decks". *Administrative Science Quarterly*, **38**: 357–381.
- Weick, K. E., K. M. Sutcliffe and D. Obstfeld**, 2005, "Organizing and the process of sensemaking". *Organization Science*, **16**: 409–421.
- Yin, R. K.**, 2003, *Case study research: Design and methods*. Thousand Oaks, CA: Sage.