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## **EVOLVING INTERPRETATIONS AS A CHANGE UNFOLDS: HOW MANAGERS CONSTRUE KEY ORGANIZATIONAL EVENTS**

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**The purpose of this research was to develop a model of how managers construe organizational events as a change unfolds. The model, built from in-depth interviews with 40 managers, suggests that interpretations of key events unfold in four stages—anticipation, confirmation, culmination, and aftermath—linked to the process of change. The construed reality and interpretive tasks at each stage as well as the triggers that impel managers to move from one stage to another are described. Implications for organizational research and the management of change are discussed.**

Organizations confront a myriad of events to which they must respond. Traditionally, researchers have viewed organizations' responses to events as entailing specific organizational and managerial actions or activities (Van de Ven, 1980a). Recently, however, a growing movement to the analysis of the cognitive side of organizational life has brought into focus the interpretive processes associated with organizational phenomena (Daft & Weick, 1984; Pfeffer, 1981; Pondy, Frost, Morgan, & Dandridge, 1983; Pondy & Mitroff, 1979). Increasingly, the study of this dimension is gathering momentum in both theoretical and practitioner-oriented works (e.g., Ford & Baccus, 1987; Isabella & Ornstein, 1988) as a complement to the study of the issues and relationships brought out by traditional approaches.

Among the most challenging events to which organizations must respond are those that become the contexts for substantial change and adaptation. These events are rarely static or contained within a discrete time frame. Unfolding over time, they demand continual adjustment and present unending challenge for all concerned. Mergers and acquisitions (Katz & Kahn, 1978; Marks & Mirvis, 1986; Sales & Mirvis, 1984), leadership successions (Sonnenfeld, 1988), and organizational deaths (Harris & Sutton, 1986; Sutton, 1987) are examples of recently researched events composed of a complex set of individual and organizational changes. Although many studies have elaborated upon the concrete and observable behaviors and actions

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connected with these changes, few have tried to identify and understand the interpretations and cognitions associated with them. The purpose of this research, therefore, was to further investigate the interpretive side of organizational change.

## INTERPRETATION AND THE PROCESS OF CHANGE

### Organizational Change Research

Within the literature on organizational change, there has been considerable research on the sequence of activities that facilitates the process of change (Delbecq & Van de Ven, 1971; Hage & Aiken, 1970; Lewin, 1947; Lippitt, Watson, & Westley, 1958). Although change at its most basic level has been said to consist of unfreezing, moving, and refreezing (Lewin, 1947), movement through these stages involves more than sequential activities and behaviors. Recent research on selected changes (e.g., Bartunek, 1984; Gephart, 1984; Sutton, 1987) and the literature on organizational change in general<sup>1</sup> have suggested that a substantial amount of cognition and interpretation accompanies the process of change:

Transitions are themselves transitional. As they evolve, different emphases on a different combination of values and assumptions may be required. When a change is initiated, existing patterns are disrupted and this results in a period of uncertainty and conflict. If key people accept and support the change, novelty turns to confirmation and eventually the innovation is routinized. As the process unfolds, managers are required to take on different orientations and styles (Quinn & Kimberly, 1984: 303).

In other words, as a change unfolds, different assumptions and orientations are required at different times in the process. Managers involved in a change need to undergo an alteration of their cognitive structure (Benne, 1976) that facilitates and supports the need to change, the process of changing, and the maintenance of what has been changed. The frame of reference—the perspective through which people view an event—shifts (McCall, 1977; Starbuck, 1976).

The precise nature of these different and changing managerial cognitions and interpretations, however, has yet to be fully explicated. Although researchers have suspected that cognitions shift, no one has revealed a pattern associated with the change process. Some authors have suggested that understanding the cognitive basis for responding to change would enhance the effectiveness of organizational responses (e.g., Gioia, 1986b).

### The Contribution of the Interpretive Literature

Understanding the cognitive basis for responding to change requires understanding interpretation and interpretive phenomena. To date, studies

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<sup>1</sup> Van de Ven (1980a) provides a review of this body of research.

concerned with those issues have aligned roughly into two groups, each with a different and distinctive interpretive thrust. Most interpretive work has examined interpretations in light of theory-driven cognitive constructs, with an emphasis on imposing order on past and present actions (e.g., Ford & Baccus, 1987). Some of these studies have contributed to knowledge about cognitive fundamentals like pattern recognition, attention, and recall that begin the process through which people label and attend to salient information (Cantor & Mischel, 1979; Nisbett & Ross, 1980; Taylor & Crocker, 1981; Taylor & Fiske, 1978; Wyer & Srull, 1984). Other studies, primarily those of organizational theorists, have actually examined the order and structure of specific interpretations through cognitive maps, prototypes, and scripts (Blackburn & Cummings, 1982; Bougon, Weick, & Binkhorst, 1977; Jolly, Reynolds, & Slocum, 1988; Lord, Foti, & DeVader, 1984; Walker, 1985; Walton, 1986). The strength of cognitive theory research has been its articulation of the structural properties of interpretations (Walsh, Henderson, & Deighton, 1988).

In creating structural snapshots, however, those studies have often neglected the temporal dimension of interpretation (Ranson, Hinings, & Greenwood, 1980). Recently, a few studies have examined interpretations over time, identifying not structural properties but similarities in points of view (Gephart, 1984) or construed realities (Sutton, 1987) that guide the attribution of meaning and significance to specific organizational events. In this stream of research, interpretation is defined not as imposing structure but as translating events and developing frameworks for understanding (Daft & Weick, 1984). These researchers have focused on identifying the cognitive logic (Silverman, 1970) threading through the understanding of a particular situation. The strength of the interpretive stream of research has been the articulation of organizational members' collective viewpoints on particular organizational occurrences.

### **Interpretive Assumptions**

Interpretive studies draw on a number of critical assumptions. The first is that organizational members actively create, or enact, the reality they inhabit (Berger & Luckmann, 1966; Weick, 1979). They create a "material and symbolic record" (Smircich & Stubbart, 1985: 726) upon which they predicate future action (Silverman, 1970).

A second assumption is that frames of reference that individual members can share exist within a collectivity (Axelrod, 1976; Bettenhausen & Murnighan, 1985; Bougon, Weick, & Binkhorst, 1977; Daft & Weick, 1984; Weick & Bougon, 1986). Created through social interchange or negotiated over time (Burrell & Morgan, 1979; Walsh et al., 1988), this cognitive consensuality (Gioia & Sims, 1986) represents the dominant logic or dominant reality of a group (Gephart, 1984; Prahalad & Bettis, 1986).

The third assumption is that the views of managers as a collective are especially salient because managers appear to be at the heart of the cognitive shifts that occur during organizational change. Although the literature on

organizational change has not explicitly differentiated managers and others in terms of the process of change, the interpretive literature has identified managerial views of important changes as critical (Keisler & Sproull, 1982). Numerous scholars have contended that managers serve a significant cognitive function in organizations by interpreting events and ultimately using those interpretations to frame meaning for other organizational participants (Daft & Weick, 1984; Gioia, 1986a; Gray, Bougon, & Donnellon, 1985; Morgan, 1986). Managers' dominant reality (Gephart, 1984) or logic (Pralhad & Bettis, 1986) may influence the construed realities of others (Daft & Weick, 1984; Gray et al., 1985). Because leaders have the formal authority to prescribe interpretations, their viewpoints and how they shift during change can be highly significant and instrumental. Some authors have said that theirs is the social architecture from which organizations draw meaning and significance (Bennis & Nanus, 1985; Pfeffer, 1981, 1982).

Finally, the fourth assumption is that interpretations are made a posteriori (Weick & Daft, 1983). They focus on elapsed action and what has occurred: "An explorer can never know what he is exploring until after it has been explored" (Bateson, 1972: xvi) and "[An individual] cannot know what he is facing until he faces it, and then looks back over the episode to sort out what happened" (Weick, 1988: 305–306). Because, therefore, interpretations tend to be formulated after, not during, events, interpretive research is often built upon events that have already transpired and around which a collective viewpoint has had time to emerge.

Building on these interpretive assumptions, I designed an inductive study to explore the following questions: (1) How do managers construe events over time? and (2) How are those viewpoints linked to the process of change?

## METHODS

### Research Strategy

The study reported here was designed to identify the interpretations that managers construct to understand key organizational events. I selected 40 managers from a medium-sized, urban, financial-services institution to participate in the study. Each manager was asked to describe and discuss five events that had occurred in the organization over the previous five years. I considered the inductive approach taken here consistent both with my research goals and with the predominant methodology and assumptions used in similar studies (e.g., Bartunek, 1984; Sutton, 1987).

### Sample

In order to discover the collective interpretations of managers, I sought viewpoints derived from all managerial levels. Participating managers represented four distinct organizational levels. Since top managers have key interpretational roles (Bennis & Nanus, 1985; Smircich & Morgan, 1982), the participation of all 11 members of the institution's top management, includ-

ing the 3 executives who held major decisional roles in the key events, was essential. Within the middle and lower managerial levels, I randomly selected individuals so that the sample would represent varied tenures and functional areas in the organization. The final sample included 11 executives at the level of senior vice president and above, 10 managers at the level of vice president, 10 at the level of assistant vice president or director, and 9 at the level of manager. Tenures varied from 2 to 35 years. Although a few individuals had not been organizational members at the time of some events studied, I expected that the information they provided about the events would represent the dominant reality (Gephart, 1984), which they would have learned from others in the organization. The functional areas represented were finance, accounting, marketing, customer operations, data processing, legal services, and human resources.

### **Selection and Presentation of Events**

The research strategy allowed the managers to describe and discuss five specific organizational events as well as any additional events they also saw as critical. This strategy followed directly from Schein's (1985) notion that events are critical when participants themselves perceive them as such. Events like those of interest here unbalance established routines and evoke conscious thought on the part of organizational members by their very nature. In so doing, they signal "common breakpoints" for the perception of change (Keisler & Sproull, 1982: 561). Because these events make a difference in people's thought and action, they are "key events" in the eyes of organizational participants.

To determine the events that were key, in pilot interviews I asked four managers—one at each organizational level—to name events of the previous five years that they considered organizationally critical. I chose the five events that all the pilot interviewees mentioned as the key events to study. They were: (1) the acquisition of the company, previously family-owned, by an international financial service giant; (2) the coming of a new president, brought in from outside the company; (3) an organization-wide quality improvement program; (4) the relocation of corporate headquarters; and (5) a corporate-wide reorganization into geographic regions. I presented these five events to each manager interviewed during data collection, using the same events throughout in order to provide a common stimulus around which interpretive comparisons could be made (cf. Pettigrew, 1979).

With each manager, I conducted two semistructured interviews one to one and a half hours long. In the first interview, I collected data about managers' career histories, experiences, and perceptions of the significant operating values and beliefs of the company. The second interview concentrated on the five key organizational events. After presenting the five events in chronological order, I asked the managers to discuss the events in order of importance in as much detail as possible. I assumed that information on events labeled the most important would be the richest and was therefore

best gathered at the beginning of an interview. The Appendix gives the questions used to guide both sets of interviews.

The specific purpose of the key events interview was to learn as much as possible about managers' concerns, perceptions, reactions, observations, and thoughts in connection with the specific key events. A detailed set of open-ended questions that I asked each participant in the same order guided these interviews. I first asked the managers to relate what they knew about the event in question, saying "Tell me about the [specific event] from your point of view—tell me what happened before, during or after the event occurred." This simple request got people to share their specific recollections of the activities and incidents that surrounded the event in question and created the broadest bracket (Schutz, 1967) for the event. As managers made observations, I asked questions to elicit rich details and graphic descriptions or to learn why observations were important to interviewees (e.g., "Could you give me an example of people losing jobs?", "Precisely what rumors did you hear and from where/whom?", and "What was significant or important to you about [that observation]?"). I also asked interviewees to identify particular concerns or questions they had had or perceived others as having had throughout the course of an event (e.g., "What was your reaction to moving into the new building?" "What were common concerns when the new president took over?"). At the end of each event interview, I asked for any other details and pieces of information that the interviewees felt were relevant. All interviews were tape-recorded and transcribed verbatim so that the raw data could be systematically analyzed.

Although each interview covered the same broad topics, I maintained the ability to explore areas of special significance to an interviewee in depth. The goal of the data collection was to understand the perspectives of participating managers, how they saw events through their own eyes. Therefore, rather than probe for information or suggest ideas, I tried to understand and clarify the meanings and interpretations each participant set forth. The procedure is similar to that reported in previous research (Isabella, 1988; Kram & Isabella, 1985). I sought to understand and clarify the frames of reference each manager offered.

### ANALYSIS

The analysis procedure followed the grounded theory approach formulated by Glaser and Strauss (1967) and more recently employed by several others (Kram, 1983; Kram & Isabella, 1985; Sutton, 1987; Sutton & Callahan, 1987). This approach requires that data and theory be constantly compared and contrasted throughout the data collection and analysis process. Evolving theory directs attention to previously established important dimensions while the actual data simultaneously focus attention on the theory's suitability as a frame for the most recent data being collected. The result of this fluid movement between theory and data is a reconceptualization, often based on a creative leap (Mintzberg, 1979; Post & Andrews, 1982), that should account for and encompass all nuances in the data.

The process of evolving theory in this research began prior to the actual data collection. Reinforcing the idea of shifting cognitions that has appeared in the literature, my own first-hand experience with and professional observation of several key events at an employing institution had suggested to me that organizational members viewed events differently at different times. Observational notes kept during the unfolding of two major events included numerous references to changes in how people viewed those events over time: concerns shifted, reactions varied, and perceptions were both similar and diverse.

During the data collection phase at the organization studied here, notes on the facts, specific details, and other pieces of information that a number of participants seemed to repeat augmented the evolving theory (Van Maanen, 1983), as did ideas generated during periodic debriefing sessions with colleagues. The resultant preliminary categories used to organize the data included the following: common issues and concerns, such as job loss and finding places to eat in the new building; similar specific facts and details noted, such as the former president's extravagant spending; similar observations and perceptions of what was occurring or had occurred (loss of the favored status of regional vice presidents), noting an improvement in organizational quality owing to reorganization; the same predictions, such as presidents bringing in their own people; and identical recollections of the past, such as being able to smoke and eat at one's desk. I continually modified these initial categories, eliminating old ones and adding new ones to account for newly acquired evidence. Table 1 outlines the initial and final categories used to frame coding of the data.

At the completion of the data collection, each event description was systematically and thoroughly examined for evidence of data fitting these categories. I reviewed each interview transcript, extracted verbatim sections, recorded them on separate sheets of paper to represent the core of an individual's statements, and coded them into the final categories. Approximately 200 such excerpts were recorded. To ensure the accuracy of the category coding, I had an independent reviewer, blind to the purpose of the research, code some data. The independent coder, who was given representative examples from the data of each category, instructed in the rationale for each representative placement, and asked to code 25 randomly chosen excerpts, assigned 24 of the excerpts to the same category that I had, yielding a 96-percent level of agreement. Although this figure may include chance agreements (Zwick, 1988), I considered it reasonable verification of the accuracy of the coding procedure.

After the data were coded, all interview segments were recoded chronologically. I reordered the segments according to the time period they referred to, creating a progression of data proceeding from before each event through its completion. Table 2 shows representative excerpts from the data and describes the flow of responses across each of the five events for five different managers.

Because a process theory is only as strong as the processes hypothesized

**TABLE 1**  
**Development of Coding Categories**

<b>Preliminary Organizing Categories</b>	<b>Examples</b>	<b>Final Coding Categories</b>
Common concerns	Uncertainty about prospective acquirer Concern about loss of own or others' jobs	Personal effect on self and job
Similar details noted	Former president's extravagant spending Stock prices rising before acquisition Furniture arrangements in new building Actions of new president on taking charge	Information tidbits Changes made and experienced
Similar observations and perceptions	Loss of favor for regional vice presidents Commitment to quality program improved service Adjusting to new routines and styles	Winners and losers Assessments of event Learnings
Predictions	President will bring in his own people	Routine explanations
Recollections	We used to be able to smoke and drink at our desk	Old versus new

as responsible for connections (Mohr, 1982), I examined these coded categories and their relationships with one another for patterns, themes, and processes that would account for the frequency, strength, and presence or absence of any category. The conceptualization presented in this research attempts to outline both the sequence of evolving interpretations and the processes through which those interpretations unfolded.

#### **HOW DO MANAGERS CONSTRUE KEY EVENTS OVER TIME?**

The data from this research revealed that interpretations of key events evolve through a series of stages—anticipation, confirmation, culmination, and aftermath. A different construed reality, set of interpretive tasks, and predominant frame of reference characterize each stage. During anticipation, managers assemble rumors and other tidbits of information into an in-progress frame of reference. During confirmation, their frame of reference draws on conventional explanations and comparisons to past events. During culmination, people compare conditions before and after an event and look



**TABLE 2**  
**Characteristics in Time Sequence for Each Event<sup>a</sup>**

Events in Chronological Order			
Acquisition	New President	Commitment to Quality	Relocation
We heard speculations that the company was going to be sold for as long as 6 months maybe. Several companies were mentioned.	After M left, there was all kinds of chattering about who would replace him, about leading contenders.	Just before the program was announced, there were rumors about loss of jobs.	There were the usual rumors about where the new headquarters would be.
I've heard of companies being bought out, that if they were bought out by a big conglomerate, that company would come right in and wipe out the management. We expected that.	R came in and spent the first six months visiting our field sites, probably because that was his expertise at the company he came from.	The program is really a cleverly marketed job enrichment program. The organization has grown and there were a lot of inefficiencies needing attention. I saw it as a first wave of a cost containment process.	There was a lot of participation, not in the selection of facilities, but involvement of home office people. This helped create a psychological adjustment.
During the first wave of what's going to happen in the company, really not much did. We just kept doing what we were.	It took me quite a while to get the picture of what his understanding of where the company was going and what changes were to be made.	While we want to assure everyone a job, there is reason to question whether or not some people have the ability to acquire the skill to make the transition.	The evolution of size of offices was logical. But there was a quantum leap between assistant VP and VP. No one really could understand why the big difference.
After a while, I began to realize the security of our new parent. Felt much more secure than being out there alone.	He's been fairly consistent with his ideas about moving us into new markets and gearing us up to be the kind of company that will survive. He relies heavily on some key people at the top and this is his strength.	Recently a steering committee was formed to monitor the progress of the program and keep track of the consequences.	An interesting thing that happened was that the quality of dress went up. So we are becoming the more professional company that we want to be.
			Now that CTQ is under way, the question is where do we go from here. Regionalization is where.
			Its purpose is to give more responsibility and to provide new career paths.

<sup>a</sup> Examples come from interviews with five different managers.

<sup>b</sup> This event was in progress at the time of the research.

for symbolic meaning. During aftermath, they review the consequences of the event. The following sections discuss each stage in detail.

### **Anticipation**

Countless rumors, hunches, suspicions, and scattered bits of information pulled together as well as possible characterize the collective interpretations representing the first interpretational stage. These fragments are analogous to randomly arranged pieces of a puzzle for which managers possess neither a final picture as a construction guide nor a specific indication of whether the final picture will contain some, all, or none of the pieces. As one manager said,

We weren't sure exactly what was going to happen, but the signals were present that something was going on. Nobody knew a lot; everyone knew just bits and pieces. We struggled to have it all make sense (acquisition).<sup>2</sup>

The construed reality at this stage is composed of both rumors and disconnected pieces of information (see Table 3). A prolific rumor mill that supplied speculative information about possible upcoming occurrences seemed to have been in action before each key event occurred. In general, these rumors were neither malicious nor fantastic; they were "bogies" expressing fear or anxiety about what might or might not occur (Rosnow & Fine, 1976: 23). There were rumors about the names of possible acquirers, possible sites for a new corporate headquarters, and possible structural changes designed to deal with declining service:

A common rumor of takeover was American Express (acquisition).

For a while, I was hearing rumors that the company would relocate out to the suburbs (relocation).

Our services were down; there were lots of complaints. Everyone suspected something was going to happen (commitment to quality).

Speculation about potential internal and external presidential candidates was also rampant:

There was a leading internal candidate whose name kept coming up. It was well known in the company that he very much wanted to be the new president. There were also rumors of outside people that were being talked to secretly (new president).

Such rumors are significant because they provide structure to uncertainty, especially when information is not forthcoming from official sources (Rosnow & Fine, 1976). In the absence of alternative information from upper

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<sup>2</sup> Excerpts are followed by the name of the event to which they pertain.

management, organizational members have a heightened sensitivity to any information that suggests or could be construed as suggesting the inevitability of an event. Rumors provide that concrete something around which they can begin to construct an interpretational portrait.

In addition, organizational members need to account for the scattered pieces of concrete data that are observable and incorporate them into the interpretational portrait. Tidbits of concrete information, like the rise in the stock price before the acquisition and the actions of the soon-to-be-replaced president, hinted but did not conclusively indicate that an event was about to happen. These tidbits appear to encourage speculation and conjecture:

It was one day, you know, and we were hearing that the stock prices were going up. Everyone was talking up “does this mean the company will be bought out?” (acquisition).

Our old president was spending a lot of money taking trips, refurbishing the company plane, mountain climbing in S. Africa somewhere, things like that . . . we knew this could not go on for much longer (new president).

The primary interpretive task of managers at this time, therefore, is assembly of an interpretive portrait based on speculation and anticipation. As they try to develop understanding, they must piece together ill-fitting information into a coherent and cogent frame of reference. In uncertain situations, the extraordinary prompts cognition (Langer, 1978; Lewin, 1951; Louis, 1980; Schutz, 1967), and the rumors and tidbits of information provided just that. The result is an in-progress frame of reference that might be called an “unframe,” a whole that is in fact an assembly of tenuously connected pieces.<sup>3</sup> Assembly is likely to continue until a reasonable picture is constructed or a new reality is confirmed.

### **Confirmation**

Following the stage of anticipation is confirmation, the interpretational stage during which an event is “standardized.” Interpretations at this stage can be described as using a conventional frame of reference. Traditional and routine explanations of what an event will personally mean to people characterize corrective interpretations at this stage. These explanations have been voiced before or represent conventional deductions, logical associations, or almost stereotypical relationships. Interpretations at this stage provide no new or creative insights but primarily reflect understandings that worked or are believed to have worked in the past—presumptions about what will be, based upon what has been:

When I found out that we were acquired, I thought of another financial services company here that was recently purchased.

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<sup>3</sup> The idea of an “unframe” draws on Abelson’s (1976) “unscript,” that in novel situations behavior is unscripted (cf. Langer, 1978).

TABLE 3  
 Construed Realities at Different Stages<sup>a</sup>

Elements of Construed Realities	Key Events		
	Acquisition	New President	Commitment to Quality
Anticipation Rumors	<p>There were certain leaks. Sometimes the rumors would come from someone body in Boston talking to someone in N.Y. who heard from someone in N.J. that something was going on. A common rumor of takeover was American Express.</p>	<p>Within the company, it was rumored that Sam K. was the likely internal choice.</p>	<p>Our service was down; there were lots of complaints. Everyone suspected something was going to happen.</p>
Tidbits	<p>It was one day, you know, and we were hearing that the stock prices were going up. Everyone was talking up, "does this mean the company will be bought out?"</p>	<p>Our old president was spending a lot of money taking trips, refurbishing the company plane, mountain climbing in S. Africa somewhere. Here again it gets back to rumors and hearing people talk, but there was a lot of bickering going on between top management cause M was never around to solve problems.</p>	<p>No one appeared to be paying attention to problems that the old building had. Everyone knew the elevators could not be fixed.</p>
			<p>For a while, I was hearing rumors that the company would relocate out to the suburbs. I was worried because there was no way that I could get transportation all the way to that location. Fortunately, that was only a rumor.</p>

TABLE 3 (continued)

Elements of Construed Realities	Key Events		
	Acquisition	New President	Commitment to Quality
Confirmation Conventional explanations	When I found out we were acquired, I thought of another financial service company here that was recently purchased. The purchaser came and decimated that organization such that they have now folded. I wondered if that was the road we were headed down.	When a new president comes on board, they often bring in all their own people.	First off, I thought it's just another BS program like we've been going through. We were going to get these fancy binders and spend days going through this stuff and come back and put the binders away and get back to business as usual.
References to past events	The last organization I worked for went through an acquisition, and basically nothing changed, so I expected that nothing would change here too.	R came from NEL and there are to the best of my knowledge no NELers here. I think that is unusual. When I & A bought out Forest Mann, they became a wholly owned subsidiary of I & A and then each of the senior slots were in turn filled.	I was at RTS when they relocated their headquarters and I immediately thought of all the things that happened and figured out I was in for more of the same.

There is lots of new space in this city, so it just made sense to move, rather than renovate our old headquarters.

I was at RTS when they relocated their headquarters and I immediately thought of all the things that happened and figured out I was in for more of the same.

TABLE 3 (continued)

Elements of Construed Realities	Key Events		
	Acquisition	New President	Commitment to Quality
Culmination Double exposures	During the first wave of what's going to happen in the company, really not much did. We just kept doing what we were.	There were difficulties meeting the conflicting demands of both R and my boss. R would call up directly and ask me for information rather than ask my boss to ask me, as was the case before.	We all felt there was a need for example setting by top management because none of the rules worked. Many of us were confused about how to act.
			After we were in this new building for a month, top management decreed that there would be no eating at our desks, not even snacking. We were all very annoyed by the sudden change in rules.
Symbols	When the parent company came in and didn't change anything about how business was run, I knew they had confidence in R.	When R came in the first thing he did was go out into the field and meet with the agents. Notice that I didn't say regional VPs who were the old guard of power. I think he intentionally did not call on the RVPs to signal their loss from favored status.	I guess messages are being sent, consciously sent. The size of the office definitely sends a very powerful message; the door sends one. We have so many furniture styles, we may not see it, different size offices and configurations indicate your level in the company.

TABLE 3 (continued)

Elements of Constructed Realities	Key Events			
	Acquisition	New President	Commitment to Quality	Relocation
Aftermath Winners and losers	All I know is that the stock bonus changed just before the takeover. Those top execs who participated immediately did very well financially.	The regional VPs used to be in power here but R has gone more to an agency concept. They were the real losers here.	Despite what we've said, some people just couldn't make the transition. On the other hand, some people have just blossomed.	There are people whose job depends on the computer terminal and their workspace allows no room for that equipment. They appear as the losers.
Consequences; strengths and weaknesses	The acquisition was good because we gained more stability and a large financial base plus the parent company didn't really change anything about how we do business.	He's been fairly consistent with his ideas about moving us into new markets and gearing us up to be the kind of company that will survive.	It seems the company's reaction these days is, okay, let's do a study and see how we are doing. There have been an awful lot of studies around here recently.	There was a definite noticeable change in the quality of dress since we moved into our new building. This is important to the organization if we are to become a more professional company.

<sup>a</sup> Only events that had progressed through all four stages at the time of the research are included.

The purchaser came in and decimated that organization, such that they have now folded. I wondered if that were the road we were headed down (acquisition).

The construed reality at this stage is composed of conventional explanations and references to past similar events (see Table 3). Conventional explanations state interpretations that are common responses to the particular type of event that is occurring, or they state what is known to have happened in similar events in other organizations. Conventional explanations might describe how an acquiring company completely alters the character of an acquired company, how a new president brings in favored staff to replace previous personnel, or how reorganizations bring job loss:

You just always hear stories about how the acquirer comes in and removes all traces of the old company . . . you know, replaces badges, signs, stationery. It was hard not to believe that is what we were in for here (acquisition).

When a new president comes on board, I always assumed they bring their own people with them eventually. I thought, therefore, that most of our current top managers would be leaving or be fired (new president).

Never mind all the talk about providing quality service. Most of us believed that this reorganization, like others, was going to mean losing jobs (regionalization)

Similarly, interpretations at this stage also contain comparisons to past similar events, in which the past is used to set expectations for the future:

I was at RTS when they relocated their headquarters and I immediately thought of all the things that happened and figured out I was in for more of the same (relocation).

The last organization I worked for went through an acquisition, and basically nothing changed, so I expected that nothing would change here too (acquisition).

This process of interpretation parallels reasoning by analogy (Neustadt & May, 1986), in which people view present events as like or as different from other historical occurrences. These elements emerged more frequently here when interviewees had personally experienced a similar or generalizable event in another organization and created a series of scenarios of what they presumed could happen based upon what had occurred in the past. These scenarios, similar to vignettes (Gioia & Poole, 1984), potentially contained both cognitive schema to explain a situation and a behavioral script to guide the behavior of self and others.

Taylor and Fiske (1978) suggested that individuals react primarily from preprogrammed cognitions, or preexisting cognitions representing past occurrences. At the beginning of interpreting a change, it would seem that, in fact, the first complete frameworks people use are interpretations that have been used in the past. In the absence of complete information about the



future, these conventional explanations provide convenient points of comparison and a reasonable frame for the event in question (Schutz, 1967). They also help reduce anxiety because they set forth a reasonable course of behavior and action.

Therefore, I called the primary interpretive task of this stage “standardization.” The conventional frame of reference serves as a “context-specific dictionary” (Berger & Luckmann, 1966: 138) managers can use to reference and compare their current experience. Because a “human cognitive apparatus” (Weick & Daft, 1983: 75) is more comfortable with the past than the present (Weick, 1979), the conventional point of view also appears to give managers an answer to the question of what the event will mean to them, at least until more information is forthcoming.

### **Culmination**

Following confirmation is the stage of culmination, during which people amend their view of an event. Interpretations no longer represent standard or presumed views but reconstructed views, frames of reference that are being amended as the event occurs to include new information or omit information no longer of value. The conventional frame of reference brought history into the present; at this stage, history is in a sense being made. A real hands-on sense of experimentation and testing and learning by doing characterize collective interpretations at this stage. Since each event brings with it the need to create new norms and execute new behaviors, old views just may not be effective. New working procedures or relationships, new facilities and interaction patterns, new and unfamiliar surroundings, or new rules and dictates make the development of new realities instrumental:

I felt that all of a sudden things were being asked of my department and me that: (1) we weren't staffed to do and I wasn't trained to do and (2) I didn't know either one of the new top people and what their expectations were. I kept asking how could I handle this? My answer was figure it out on my own (new president).

The construed reality at this time consists of two elements. Interpretations in the culmination stage are peppered with “double exposures,” interpretational portraits that contain images of before and after. People point out that old behaviors are not working and that new ways of interacting are required; or they contrast past standards with present conditions (see Table 3). The managers studied here often expressed a sense of confusion about the old not working or a feeling of being perplexed about new behaviors replacing old ones. People were confused by what was required under the new structure created by the quality program; they were perplexed by actions of the new president that appeared to violate old chains of command or other priorities; they reminded themselves of the loss of familiar patterns occasioned by the move to the new building, such as shopping at the local department store or eating at familiar luncheon spots:

We all felt there was a need for example setting by top management because none of the rules worked. Many of us were confused about how to act (commitment to quality).

There were difficulties meeting the conflicting demands of both R and my boss. R would call up directly and ask me for information rather than ask my boss to ask me, as was the case before (new president).

In our old building, we could smoke and drink at our desk. Now there are rules against these. Things just are not the same (relocation).

We used to be able to go out at lunch and shop at the local department store. Also there were many relatively inexpensive luncheon spots. Now, at our new location, there are only a few restaurants and boutiques, all of which are expensive (relocation).

These observed incongruities have themes reminiscent of those that typify the adjustment to organizational change described in previous research (cf. Starbuck, 1976).

The construed reality of this stage also consisted of direct references to the symbolism of certain actions, gestures, and decisions. Interviewees described both a phenomenon and the meaning they attributed to it. There was overt acknowledgment of symbols and an attempt to understand what they meant. For example, many individuals talked openly about the birthday parties that the new president started as symbolic of his intent to show that he cared about their concerns and well-being, or they imbued chance encounters in the corridors and elevators with significance. Managers noticed the lack of visible changes in the firm after the acquisition and saw this as support for management's contention that little would change; managers also saw people go into the "open pool," a labor pool created to accommodate individuals whose job was phased out in the commitment to quality program and who were available for redeployment, and then get reassigned; and they saw changes in dress and appearance as a result of being in the new building. As symbols, all of these actions and activities came to denote much more than themselves (Pondy et al., 1983):

R held monthly birthday parties. If it was your birthday, you could come and have coffee and ask any questions you wanted. People asked the stupidest questions sometimes, but there was always an answer immediately or in 24 hours. This signaled to me that R really cared about making this company better (new president).

We watched "the open pool." To our surprise people actually got new experiences and skills and were reassigned without too much interruption. The process actually worked (commitment to quality).

I guess messages are being sent, consciously sent. The size of the office definitely sends a very powerful message; the door sends one. We have so many furniture styles, we may not see it, dif-

ferent size offices and configurations indicate your level in the company (relocation).

Symbolism appears to play an important role in facilitating the learning of new behaviors, norms, and schema, as well as in shifting the culture of an organization (Daft, 1983; Dandridge, Mitroff, & Joyce, 1980; Louis, 1983; Smircich, 1983). The culmination stage is a time when individuals appear very receptive to symbolic messages, especially management symbols (Ornstein & Greenberg, 1988), those connoted by managerial actions and behaviors. Since the established routine has been disrupted, managers search their surroundings for clues from which to derive new meaning or reconfirm old understandings, and symbols provide that valued information. Symbols bring double exposures into focus.

Therefore, the interpretive task at this stage is reconstruction. Managers are actively reconstructing their environment, deciding what to retain and what to alter. At this time more than ever, there could conceivably be varied and multiple individual realities and divergent interpretations as individuals attempt to make sense of the changes experienced.

### **Aftermath**

The final interpretive stage is aftermath, during which an event is evaluated. As managers test and experiment with a construed reality that moves beyond the traditional boundaries of past sense making, there comes a growing, concrete realization of the permanent changes wrought and of the consequences those changes and the event itself have had for the organization and its members. The predominant frame of reference becomes evaluative. Thus, characteristics of collective interpretations at this stage are a search for consequences, an active seeking of and receptivity to the strengths and weaknesses of changes wrought by the event and, whenever possible, a reassertion of certainty:

Our parent organization has afforded this company a tremendous amount of security and I did not come to realize this fact until recently. There has been a return to certainty (acquisition).

It seems the company's reaction these days is, okay, let's do a study and see how we are doing. There have been an awful lot of studies around here recently (commitment to quality).

A prominent part of the construed reality at this stage was identification of winners and losers. Collective interpretations precisely identified groups and individuals who benefited from some aspect of the event and those who did not fare as well. For example, the actions of the new president clearly communicated that the regional vice presidents, who had once had much organizational power, were to be relatively powerless in the new organization. In the case of the quality program, many managers believed that some employees were simply not retrainable or motivated to enrich their jobs, so they would be natural losers:

Despite what we said about people not losing jobs, the undercurrent throughout the entire program has been that we have got a lot of employees who will not make the transition because they do not possess the skills required. We hire an awful lot of very limited people in this company, very limited clerical types and these are the ones who are the losers in this program (commitment to quality).

The construed reality during aftermath also consisted of conclusions drawn as to the positive and negative consequences of some aspect of an event, and to the resultant strengths and weaknesses (see Table 3). Managers made direct references to pros and cons of the situations wrought by changes. People talked positively about the more professional quality of the atmosphere and of employees' demeanor in the new building; they discussed the stability the acquirer afforded the firm; they pointed to jobs lost and individuals not adjusting well to the commitment to quality program:

There was a definite noticeable change in the quality of dress since we moved into our new building. This is important to the organization if we are to become a more professionalized company (relocation).

The acquisition was good because we gained more stability and a large financial base plus the parent company didn't really change anything about how we do business (acquisition).

Despite what we have said, some people just couldn't make the transition. On the other hand, some people just blossomed (commitment to quality).

Thus, the final interpretive task is evaluation. Assessing an event in terms of its consequences, thus putting it and accompanying changes in perspective, appears to create a sense of closure to the experience. The assessments made may also become the standardized views managers will carry over to the next similar event they experience.

#### **HOW ARE CHANGING VIEWPOINTS LINKED TO THE PROCESS OF CHANGE?**

In addition to four distinctive stages in the interpretation of change, the data from this research also revealed processes that move individuals from one interpretive stage to another. External events appear to precipitate such shifts. These events are akin to the triggering events conceived by previous researchers (Billings, Milburn, & Schaalman, 1980), events signaling that a cognitive redefinition of a situation is required. The action of trigger events appears to parallel the process of change Lewin (1947) called unfreezing, moving, and refreezing. The first interpretive shift begins when a definitive announcement is made that an event will occur. The first trigger event begins to unfreeze organizational members and put them on alert that something is about to change. The second interpretive shift begins when the event is actually experienced—here, when organizational members moved into

the new building, or the new president started his first day. The second trigger event begins to move individuals into a state where change is necessary and required. The third interpretive shift begins with any number of smaller events that signal the permanence of changes precipitated by the key event. For instance, the new president follows through on stated objectives, or a task force evaluates the status of the quality program, or new policies for behavior are institutionalized in the new building. This third trigger event begins the refreezing process that establishes a new status quo.

Although various triggers in the unfolding of an event spark the shift from one interpretational stage to another, personalized experiencing of and affective reaction to triggering events keep the movement going. Van de Ven (1980b) suggested that personal crisis initiates cognition. Similarly, it seemed in this research that when an event or some aspect of it became real—in the sense that it had directly affected or was about to directly affect people or their work—interpretive shifts gained momentum (see Table 4). For the first interpretational shift, such personalized experiencing translates into concern about what an event will mean in an individual's own life. Personal fit with and identity within an organization are brought into question. For the second interpretational shift, personalized experiencing translates into concern about how work will be affected. For the third interpretational shift, personalized experiencing translates into concern about laying the event to rest by developing a final perspective.

### **Shifting to Confirmation**

An announcement or notification that an event will occur triggers the interpretive shift from anticipation to confirmation. For the events studied here, most often top management made an announcement through official channels. For example, a company memo confirmed that an acquisition had been made and a new president selected, and the commitment to quality program and relocation were announced at company-wide meetings. Previous research has found similar announcements of the inevitability of an event to be leaders' attempts to signal a change in the construed reality (Sutton, 1987).

As organizational members attempt to make sense of an event, they personalize it (see Table 4), expressing great concern for how the event will affect each individual. "What will this mean to me?" and "How do I fit in?" are the affective reactions fueling the interpretive shift:

I think there are an awful lot of unknowns associated with being bought. What will they do? Will they move the company to wherever from here? I think people were concerned from the standpoint of what did it mean to us, would they come in and replace everyone, and, all of a sudden, are we somebody else and we really don't know who we are? (acquisition).

Managers wondered whether they would lose their jobs as a result of the quality program; they were concerned about adapting to the management

**TABLE 4**  
**Examples of Personalized Experiencing<sup>a</sup>**

Affective Reactions	Key Events		
	Acquisition	New President	Relocation
Shift to confirmation: "What will this mean to me?"	I think there are an awful lot of unknowns associated with being bought. What will they do? Will they move the company to wherever from here? I think people were concerned from the standpoint of what did it mean to us, would they come in and replace everyone, and, all of a sudden, are we somebody else and we really don't know who we are? I know I was.	When a new president comes on board, they often bring in all their own people. I wondered what they would mean for me and my job.	Once the relocation site was announced, people's main concern was how close they would be to the local department store. That's true. There were concerns about proximity to buses and parking and shopping. I think most people were really concerned about being buried in a much larger building and losing their identity.
		People need to know that they are not going to lose their jobs over this. I have one girl in my area who is telling people that people are going to get laid off once regionalization is implemented. . . . I think people are real scared about what is going to happen, what's going to happen to their job.	

**TABLE 4 (continued)**

Affective Reactions	Key Events		
	Acquisition	New President	Commitment to Quality
Shift to culmination: "How will my job be affected?"	Once we were acquired, we all waited for something to happen to our jobs. We wondered what it would be—elimination, less money, less people?	Once our new president arrived, I started to become very concerned. I know that you have to prove yourself all over again. You just don't know what a new person will expect from you.	There are a lot of people concerned about losing their jobs in this commitment to quality program. Some people's jobs are getting phased out and they will have to learn new skills and I think they are scared.
Shift to aftermath: "What has the event meant overall?"	Looking back, the acquisition has given us the financial security that we needed. We have been able, therefore, to do a lot of things we would not have been able to accomplish.	After I had been here about six months, we all began to wonder if his coming-on-board was really good for the company. The answer was a pretty strong yes.	The company really made a big deal out of making sure that all people at the same level got the same amount and type of furniture. Yet they didn't consider what you need to do your job.
			There is now a feeling of inequity and class difference in this new building. There is very little privacy or concern for individual needs.

<sup>a</sup> Only events that had progressed through all four stages at the time of the research are included.

style of the new president; and they were concerned about whether the new headquarters location would fit their current lifestyle. In general, they were concerned about their fit with the new structure and who they would be within that structure.

Shifting to confirmation may bring an end to anticipatory speculation, but it also begins the unfreezing process in preparation for change. Aware now personally that something is about to change, individuals search for reasonable explanations of those changes to come.

### **Shifting to Culmination**

The actual occurrence of an event triggers the interpretive shift from confirmation to culmination. The new president begins his first day; the quality program kicks off; the new building is occupied. In all cases, a discernible and tangible event created a major change in the organizational texture and communicated that a new reality was in order (Sutton, 1987).

Although the trigger events signaled a change, the events became personalized when individuals began to experience living in the new situations (see Table 4). The fuel for the second interpretive shift was no longer individual fit, but the performance and execution of work responsibilities. "How will my job be affected?" and "Will I be able to execute my responsibilities?" are the questions fueling interpretations:

Once our new president arrived, I was concerned about adapting to a new management style. I knew our previous leader's preferences, but I didn't have any idea about R. I could no longer be certain about how to do my job (new president).

There are a lot of people concerned about losing their jobs in this commitment to quality program. Some people's jobs are getting phased out and they will have to learn new skills, and I think they are really scared (commitment to quality).

The answer to these questions encourages individuals to begin the process of change.

### **Shifting to Aftermath**

The third interpretive shift, from culmination to aftermath, occurs as time wears on and there is some indication that an event is being processed, especially by upper management. Most often, discernible activity precipitated this interpretational shift; at other times, the elapsing of a certain length of time—generally six months—signaled the appropriateness of a new construed reality.

Personalizing at this time was reflected in people's need to come full circle and decide whether the event had been advantageous or disadvantageous to them personally and organizationally (see Table 4). "What has the event meant overall?" is the question fueling this final interpretive shift:



After I had been here about six months, we all began to wonder if his coming-on-board was really good for the company. The answer was a pretty strong yes (new president).

There is now a feeling of inequity and class difference in this new building. There is very little privacy or concern for individual needs (relocation).

Answering this question appears to begin the institutionalization, or refreezing, process (Lewin, 1947).

### **A MODEL OF EVOLVING MANAGERIAL INTERPRETATIONS OF CHANGE**

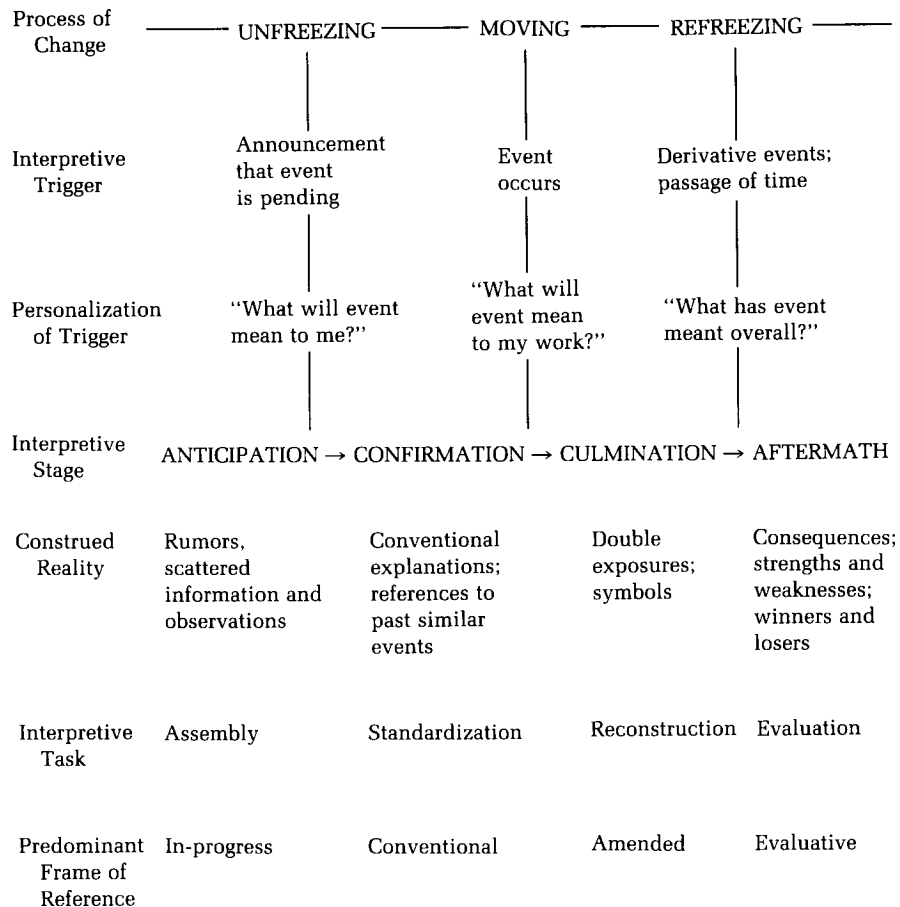
Although enacted realities can include multiple and varied realities (Smircich & Stubbart, 1985), this research has tapped the pieces that compose a collective interpretational portrait of key events. Some authors have suggested that cognitions and perceptions can differ by individuals' organizational function or level (Dearborn & Simon, 1958; Ireland, Hitt, Bettis, & Auld de Porras, 1987). This research, which is closer in spirit to Walsh's (1988) work, concentrated on distinct similarities across function and level in the manner in which managers construct their world.

Using interview data about past key organizational events, this research explored how managers collectively viewed events over time and how those viewpoints were linked to the process of change. The results suggest a model for understanding how interpretations evolve as a change unfolds (see Figure 1). Although this model neither details action taken as a result of interpretations nor their direct effects on the interpretations of others, it does attempt to capture how managers collectively construe events. In so doing, it concentrates not on a description of the interactional processes through which individuals come to share meanings but on the identification and description of the frames of reference managers share during specific changes.

The model describes a sequence of four distinct stages—anticipation, confirmation, culmination, and aftermath—through which interpretations progress. Each stage has a predominant frame of reference, interpretive task, and construed reality. The transition from one stage to another is initiated by a trigger event and fueled by the personalization of that trigger.

As the data show, the process of managerial interpretation consists of rhythmic shifts in a construed reality as an event unfolds. These shifts would seem to support the contention of previous researchers (e.g., Weick & Daft, 1983) that construed realities constantly change as new facts arise and new questions are asked. Actual rumors, speculative hunches, and disconnected pieces of information characterize anticipation, as individuals attempt to deal with the uncertainty of limited information. Conventional interpretations and comparisons to past similar events characterize confirmation, as managers question how they will individually fit into their organization after an event occurs. Questioning former rules and behaviors, testing and

**FIGURE 1**  
**Evolving Interpretations of Key Events**



experimenting with new interaction patterns, and using intense symbolism characterize culmination, as managers wrestle with how their work, relationships, and other aspects of daily responsibilities will be affected. Finally, appraisals of the actual consequences of an event, including the identification of winners and losers, characterize aftermath, as managers arrive at a final determination of what the event has really meant.

This research went beyond assertions that a significant amount of cognition is associated with change by outlining the particular cognitive patterns accompanying the change process. As suggested in the model, the fundamental stages of change—unfreezing, moving, and refreezing (Lewin, 1974)—are accompanied by the interpretive tasks of assembly, standardization, reconstruction, and evaluation. More specifically, the findings of this research parallel contentions by McCall (1977) and Starbuck (1976) that

frames of reference are a predominant organizational sense-making device during change. These viewpoints act as the cognitive logic that, when activated, organizes comprehension of event-based situations (Abelson, 1981). In the case of change, an in-progress frame of reference gives way to a conventional frame of reference, which gives way to amended viewpoints that become an evaluative frame of reference. Initially, while people anticipate an event, they pull pieces of information together into a frame-in-progress. In preparation for the occurrence of change, they view the event from conventional viewpoints that allow them to know both what will change and how it will change, thus reducing uncertainty. Once the event has arrived, the thrust of cognition becomes making sense of the new situation, always in comparison to the old, in the form of an amended or reconstructed frame of reference. Finally, refreezing seems to be associated with a broadening perspective and general learning about what the event meant, and the end result is an evaluative frame of reference.

Thus, collective interpretations of key events move from unformed and tentative to well-constructed, well-processed viewpoints. The implication of this progress is that the fullest understanding of an event may come from moving through all the interpretive stages. By so doing, individuals formulate an overall meaning for the event that is enriched by the stages that have come before. The current research adds complexity to the question, "What does an event mean?" Determining what an event means appears to be a process of going through a series of interpretative stages. In fact, it may well be that the strongest and most substantial conventional viewpoints are the result of a previous interpretive cycle that made sense of a situation through all four stages.

Abelson (1963) noted that the most thorough cognitive processing was based on "hot cognition," or emotion-laden cognition. In this research, it was very clear that the collective construed reality included both elements of fact and feelings and emotional reactions. To the extent that emotion and cognition are intertwined (Gioia, 1986b; Park, Sims, & Motowidlo, 1986), personalization of trigger events appears to bring such an affective dimension into play.

## IMPLICATIONS

In support of those who have contended that considerable cognition accompanies the process of change, this research contributes to creating a model for understanding how interpretations evolve as an organizational change unfolds. It describes the unique interpretive tasks, predominant frames of reference, and construed realities associated with each of four interpretive stages; identifies the interpretive triggers accompanying the process of change; and demonstrates how the personalization of those triggers fuels the movement from one stage to the next.

These results have implications both for managers' interpretational role in the management of organizational change and for further research on such

change. First, this research suggests a new perspective for thinking about resistances to change. Previous research has cautioned managers to identify such resistances (Lewin, 1951) and select a change strategy that will minimize or eliminate them (Kotter & Schlesinger, 1979). This research, however, indicates that resistances to change might alternatively be viewed, not as obstacles to overcome, but as inherent elements of the cognitive transition occurring during change. The results of this research suggest that self-interest, mistrust, or preference for a status quo may be concrete manifestations of more subtle cognitions. Specifically, what has been labeled self-interest may simply be personalization of an event. In changing situations, perhaps it is not so much that people want to hold on to what they have as that they are simply questioning what the change will mean to them. They are merely anticipating possible loss. Similarly, what appears as misunderstanding and mistrust could well be an external reflection of an in-progress or conventional frame of reference at work. Preference for a status quo could also be a manifestation of the tension double exposures produce as people employ an amended frame of reference. If managers accept such a view, what becomes important is not overcoming these reactions, but acknowledging that such frames of reference exist, will change, and actually serve a crucial cognitive function in helping people to understand and come to terms with an event.

To the extent that managerial responsibilities are more interpretational than operational (Daft & Weick, 1984), this research has implications especially for the actions of leaders during events. Although my focus limited exploration of how collective interpretations influenced the behavior or interpretation of others, certain predictions based on the model can be proposed. If the interpretational role of managers is to influence the interpretations of others (Daft & Weick, 1984), these research findings imply that such a role would vary as a change unfolded. In the anticipation stage, managers might focus on managing the rumors and concrete information individuals have. Although top managers may themselves be uncertain, providing as much information as possible to subordinates could increase the likelihood that they will fit reasonable pieces of the puzzle together. In the confirmation stage, leaders might manage the standards against which individuals measure the upcoming event. This would require leaders to be aware of possible and alternative conventional explanations and to communicate the unlikelihood or feasibility of those alternatives when necessary. In the culmination stage, leaders might manage symbols, especially the management symbols (Ornstein & Greenberg, 1988) that communicate what is important to the organization. Finally, in the aftermath stage, managers may manage the assessments that individuals create by suggesting reasonable, if not right (Weick & Daft, 1983: 76), overall perspectives.

This research also has implications for further study. It suggests that at the organizational level, further exploration of how managers collectively construe organizational events is needed. The particular events studied here were large-system events within one organization whose very nature and

potential impact on the company's finances might increase information processing (Pfeffer & Salancik, 1978). The present model is, therefore, somewhat limited in its descriptive power; it is not known how generalizable it is as a description of interpretations of different, perhaps smaller-scale events, such as an employee's dismissal or problem-solving meetings. Also unknown is the extent to which the construed realities portrayed depended on the particular organization studied and its culture.

This research concentrated on drawing a portrait of managerial interpretation; it is also not known whether these stages only describe the evolving interpretations of managers. To the extent that all organizational members enact their realities (Weick, 1979), the model constructed may have relevance as a description of the evolving cognitions through which other organizational members come to understand and adapt to change. Further research is needed to determine if the model developed by this study fits nonmanagers as well as managers.

Additionally, this research poses the interesting question of how a convergence in collective frames of reference comes about. How is a dominant reality developed? Does it arise because individuals use the same cognitive processes (i.e., go through the same stages) or because social interaction occurs (Burrell & Morgan, 1979)? Answering this question would require understanding individual contributions to collective understandings. Are there systematic variations in the manner in which individuals rely on specific frames of reference? The evolution of interpretations in terms of understanding issues about information availability, interaction patterns, and the impact of types of events are also grounds for continuing scholarly inquiry.

## CONCLUSIONS

Like much previous organizational sense making (Weick & Daft, 1983), this research relates the history of views of key events in one organization. That history was propelled by change but contains more than the actual changes. That history contains the cognitive logic that facilitated organizational members' understanding and adjustment during change and that will most likely guide their understanding of and adjustment to events in the future. As one manager said,

As the decision maker, you move your decision to those people closest around you and expect them to be the prophets of that message, and then that goes, and you know the further you cascade that down into the organization, the more it becomes diluted. And, the more the background is lost, the more the rationale, the more the meaning of it all is lost . . . unless there's a sense of history that has been retained in the translation.

The evolving interpretations of key events provide that sense of history.

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## APPENDIX

### Interview Questions

#### First Interview

Information on the highlighted items was gathered by asking the following:

**Current job.** Tell me a little about yourself.

- What is your present position in this company?
- What are your major responsibilities?
- How long have you held this position?
- What do you particularly enjoy about your job?
- What are some of the challenges you face?

**Career history.** Tell me about how you got to be doing this.

- How did you get started in this profession/job?
- What has prepared you for this job? (prior positions, educational background)
- What other jobs have you had? (at this company or at other companies)
- Why did you make the career changes that you did?
- How were those career decisions affected by events in your nonwork life?

**Organizational values and beliefs.** Tell me about what this organization is like.

- What are its values, from your point of view?
- What is important to this company? How do you know this is important to the company?
- If I were a new employee, what are the important do's and don'ts that you would want me to know about?
- What does this company do well?
- What are your major concerns about this company?

#### Second Interview<sup>a</sup>

Questions were as follows: Tell me about the [specific event] from your point of view—What happened before, during or after the event occurred?<sup>b</sup>

Before the event—

- Help me understand what it was like to be in the organization at that time.
- Do you recall any incidents or events that preceded the [specific event]? Can you describe those events?
- What did people do? What was it like to work here then?
- What did you think at that time? What seemed important or significant?
- Why were these important or significant?

<sup>a</sup> The format was repeated for each of the five events.

<sup>b</sup> Although individuals were free to begin discussing an event at any point during its unfolding, these questions represent the areas covered for each event.

What concerned you at the time?  
What questions do you remember having or asking?  
What was the mood in the company at that time?

When the event occurred—

When the [specific event] happened, what do you recall about that time?  
How were you informed? Did most people hear that way?  
How did you react to the news of the upcoming [specific event]?  
What incidents or events accompanied the [specific event]?  
What did you think at that time? What seemed important or significant?  
Why were these important or significant?  
What concerned you or others at the time?  
What questions do you remember having or asking?  
What was being communicated at this time? By upper management?  
By your peers? By your manager?

Now that the event has occurred—

After some time has passed, what do you recall most?  
What incidents or events do you recall?  
What did you think at this time? What seemed or seems important or significant?  
Why were these important or significant?  
What concerned you or others at the time?  
What questions do you remember having or asking?  
What did the [specific event] overall signify to you? What did it mean?

Thinking back over your remarks—

Anything else of importance you'd like to add?  
Anything that we didn't talk about that appears relevant?

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