

# **Sensemaking Leadership and Teams in a Knowledge-based Global Workplace**

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## **ABSTRACT**

Sensemaking leadership is explored in its relationship to teams in a globalized workplace. Sensemaking theory offers a perspective on leadership that is enlightening in the 21<sup>st</sup> century when a premium is placed on information, knowledge, teamwork, and meaning. Directions for future research are offered.

**Keywords:** leadership, sensemaking, teams

## **INTRODUCTION**

Leadership theories are constructed within the fabric of culture. The economic structure of a society, how resources are perceived and managed, influences leadership theory. Prominent leadership theories are heavily influenced by power distribution. For example, Machiavelli wrote about retention of power within a hierarchical feudal system [1]. During the industrial revolution, Frederic Taylor focused on leadership to turn raw material resources into products [2]. In the early 20th century, humans began to be perceived as a resource, redefining effective leadership.

With the focus on globalization in the late 20<sup>th</sup> century, many production or task-oriented jobs were relocated outside of the U.S. causing a shift

to a knowledge-based economy. In this time of uncertain change, organizations were in need of people who could articulate a clear vision to prepare organizations in ways that recognized people as respected resources. During this time, transformational leadership emerged as a prominent leadership theory [3,4]. Currently, the transformational view that leaders must prepare followers for change is being replaced by the recognition that we are living with continual change and preparation for change is a daily process.

Globalization, the growing interconnection reflected in the expanded flows of information, technology, capital, goods, services, and people throughout the world, will be a defining feature of the future so ubiquitous that it will have a significant impact on all aspects of our lives [5]. Optimizing human capital is essential for leaders dealing with the knowledge-based economy. The increasing reliance on information and knowledge requires people to work in new ways. Leaders must be able to network with people from different cultures, create new meanings and connections from disparate information sources, and find creative solutions to global, social, and environmental problems.

In light of the evolving socio-economic reality, current constructs of effective leadership need to

be examined. Tackling problems of the future requires a paradigm shift that emphasizes collaboration and cooperation [6]. Employers are increasingly seeking workers who have human interaction and problem solving skills [7]. Employees are often asked to produce as a team and performances are judged as such. Teams will be collaborations of people who all possess skills that aid the leadership process.

In this paper we ask the question, what do leadership skills look like for the 21<sup>st</sup> century global worker? We examine the nascent theory of sensemaking leadership and its application to teams in the workplace in light of ever-evolving and increasingly connected economic systems.

### **The Importance of Teams in the Workplace**

A 'team' is distinct from a 'group'. We define 'team' as an autonomous and intentional group formed under a common goal with responsibility for a task(s) that cannot be divided among group members [8]. The use of teams is increasingly required in many disciplines. For example, Hall and Weaver note that in the medical field there is a need for specialized health professionals to collaborate to optimize patient care [9]. It is unfeasible for social workers to serve clients effectively without collaborating with teachers, doctors, and police [10]. Automotive design teams are composed of engineers, experts from the manufacturing plant, as well as market researchers and purchasing managers [11]. Capelli and Rogovsky found that one of the most common skills required by new work practices is the ability to work in a team [12]. Therefore, leadership skills that enhance the effectiveness of teams are essential for today's workers.

Teams face numerous obstacles to success. One such hurdle is dealing with diversity [13]. An essential aspect to teamwork is the coalescing of people with different backgrounds, ways of understanding, and personalities. We will not go into the detail of diversity research here. However, it is acknowledged that people need to operate in the workplace as a team. Therefore, teams need a framework in which to operate; to have a common language that allows for cooperation. Leaders who can help a team make sense of both an assignment as well as each other will help the team succeed. This role of a leader is not congruent with popular leadership theories that characterize a leader as someone who exercises authority to influence or dominate others.

Sensemaking theory offers a perspective on leadership that is enlightening considering the challenges of teamwork in a global knowledge-

based workplace. We investigate the literature of sensemaking and offer suggestions on its relationship to teamwork.

## **SENSEMAKING**

When people face stimuli that interrupt expected outcomes, comments such as "that just doesn't make sense" abound. Weick writes that equivocality is an initiator of the sensemaking process [14]. Sensemaking is the "creation and use of sensory and experiential frameworks to comprehend and engage a flow of events" (p. 17-62). Weick theorizes that prior internal meaning making has been integrated with previously derived external "sense" resulting in the perceived expected outcome. Since the expected outcome did not materialize, or was interrupted, people are left no choice but to engage in the sensemaking process to interpret the current situation and make sense of new information until new expectations are created through action and cognition or the interruption is removed. Globalization is constantly challenging workers to make sense of experiences and requirements that are new and not well understood. This requires workers to engage in the sensemaking process.

Sensemaking, as theorized by Weick has seven distinct characteristics. (1) Sensemaking is grounded in identity theory. An individual's identity creation is a process sustained by the need for self-enhancement, self-efficacy, and a need for self-consistency. (2) Sensemaking processes are retrospective; individuals only know what they truly believe after they have said it. (3) Sensemaking is enactive of sensible environments where action and cognition are combined to produce the environment. Interpretation explains how people cope with existing entities; whereas sensemaking describes how entities are created. (4) Communication is inherently social. Identity is internal meaning and sensemaking is the shared meaning derived from the give and take of the social environment. This is conducted through cues or the de-selection of cues [15]. (5) Realistically, the process has no beginning or end. Equivocality in social environments is in constant flux of arising and diminishing. (6) Due to the vast amount of information in any social process, the goal of the process is plausibility, not accuracy of meaning. Information in any communication process will likely be incomplete. (7) Therefore, creating a plausible shared meaning allows the process to continue.

## SENSEMAKING LEADERSHIP THEORY

Sensemaking has always occurred in individuals and society [16] however, it is receiving new attention. The economic transition from material production to the knowledge production has pushed sensemaking to the forefront as a useful framework for leadership. Previously, with replication and reductionism the focus of production and research, sensemaking as a viable leadership theory was overlooked. As scholars have called for more integrative leadership models, sensemaking has emerged as a theory likely to have vast implications for leadership and leadership development for teams.

Drath and Palus offer a sensemaking leadership theory that critically examines the role of leadership within a group [17]. “Whatever else we can say about people, one thing that we all share— across cultures, geography, and time—is the ability, and the hunger, to make things make sense”. They posit that popular leadership constructs cause leaders to ask how they can utilize authority, influence, and power to lead a team. A sensemaking framework suggests leaders will ask different questions: “What is the nature of this group? What is the most effective process of leadership for this group at this time? How can I, as holder of some authority... participate productively in this process of leadership?” From a development viewpoint, sensemaking as the apex reorients the leader as a participant in the sensemaking (e.g. leadership) process rather than the focal point. “Leadership is a process of making sense of what people are doing together so that people will understand and be committed” [17]. For example, instead of one project manager with the responsibility for planning, execution, and closing of a project, all members of a team play a crucial role in the leadership process. Howell et al. note that the role of a project manager is to start, facilitate, and participate in team conversations so that team members can develop a shared understanding [18]. In essence, sensemaking leadership theory redefines a leader from someone who exercises authority and influence to a process where a leader finds avenues to involve all group members in significant ways.

Sensemaking as leadership is the process of creating shared meaning. Many traditional theories have prescribed leadership as a directional use of influence to get followers to do something. Sensemaking provides a communication framework that allows for more fluid roles throughout the process. Through the sensemaking process, a team determines, consciously or

unconsciously, which leadership strategy is the most appropriate. Directional power and influence may be appropriate for the context. Transformational leadership, servant leadership, or even authoritative power could be more appropriate to address unique characteristics contingent on the situation. However, through a sensemaking lens, the group would decide on the best course of action, perhaps even unconsciously. If individuals are from a culture with a high power distance [19], then their collective communication may result in a reliance on a leader-centric vision. It will make sense to them that the leader’s perspective has more weight in the process, resulting in deferment to others.

According to Kriger and Seng, one of the major challenges organizational leaders face today is the enactment of leadership with deep inner meaning for both themselves and others [20]. Inner meaning is formed around our worldview. Thus, leadership is based on one of three worldviews: ‘having,’ ‘doing,’ or ‘being.’

The first category, ‘having,’ relates strongly to leader development, assessing if an individual has the right traits, skills and competencies. Does the individual ‘have’ the ability to lead effectively and if not, then how should leaders acquire them? Dispositional theories, such as the Great Man and personality theories, are examples of a ‘having’ leadership construct. Secondly, ‘doing’ is the process of making the invisible visible. This worldview mirrors competence models, where leaders’ competencies enacted emerge as competence. Behavioral models can be placed under this category. Situational and full-range leadership models are examples where leaders are expected to engage in specific behaviors, (i.e. competence), at the appropriate time. Notably, most Western leadership theories fit within the ‘having’ or ‘doing’ categories or are a combination of both. The prominent question that all Western leadership scholars are asked, “Are leaders born or made?” illustrates the emphasis on ‘having’ or ‘doing.’

The third category, ‘being,’ is defined by Pava [21, p. 788] as being “in touch with a source of meaning that the leadership is drawing its inspiration from and directing individuals in the community towards.” ‘Being’ is what Kegan [22,23] refers to as meaning making, and is one of the foundational aspects of sensemaking. A sense of being worldview is implicit in servant leadership. In Greenleaf’s initial writing, being someone who serves, having a server identity, is evident in his opening story about the servant actually being the leader, as well as his supporting

reasoning [24]. More recently servant leadership has been operationalized into measurable behavior [25, 26].

Ignoring ‘being’ as a critical factor in leadership is further compounded by a reductionist worldview and the need for quantifiable results. Theorists have undoubtedly written about a sense of being before. However, due to the prominence of quantitative research methods and the difficulty in measuring identity, it has been a latent factor in leadership literature. A succinct example is Barbuto and Wheeler’s five-scale model of servant leadership [27]. The model lacks any role ‘being’ plays in the model presumably because of measurability challenges. As an example, altruism has been behavioralized, neglecting the importance an altruistic identity plays in making sense of the world enacted through “altruistic” behavior.

Drath and Palus offer some strategies to engage a team in the sensemaking process [28]. Because sensemaking is social, leadership occurs in a community of practice. A community of practice is more than a group of people; members are involved with one another through enactment of shared meaning. Therefore, sensemaking leadership occurs through such processes as identifying vision and mission, framing problems, setting goals, arguing and engaging in dialogue, theory-building and –testing, storytelling, and the making of contracts and agreements.

### **Teams and the Sensemaking Leadership Process**

Currently, the U.S. economy is rapidly transitioning to a knowledge economy. The production economy of the past was built on reductionism and replication. Jobs were reduced to their smallest parts [29]. Additionally, followers (e.g. workers) were viewed as replaceable parts of the whole. Replacements were simply trained to replicate the work of the former follower. As the economy shifts to a knowledge economy, the significance of physical behavior is replaced with expressive behavior, specifically communication. Expressive behavior does not fit into a model based on reductionism and replication. It is rooted in creation. The shift in focus from replicative behavior to expressive behavior has significant implications for the role of leadership within a workplace. By understanding and utilizing the paradigm of sensemaking, leaders can facilitate the people on their teams (communities of practice) to be involved in increasingly central ways.

The writing of this paper is an example of an output by a team within a knowledge economy. From a reductionist and replicative perspective,

either of the authors is replaceable with the right training. (i.e. find someone who can diagram sentences, type, punctuate correctly, etc.) There is no need to pursue the example from this perspective for very long and it gets ridiculous; knowing that replacing any author would radically shift the content of the product. The ability to diagram a sentence does not ensure a successful paper. The exact process we have taken to create this paper cannot be replicated, nor can the success or failure be reduced to basic elements such as writing ability, expertise, or interpersonal skills. There are, of course, necessary foundational skills. However, how skills are expressed and received by each team member within our interactive community of practice is largely uncontrollable.

The authors approached the goal of writing this paper (making sense of sensemaking for teams) as co-leaders or co-participants. None had authority over the others; nor were there significant power differences. Each of Weick’s seven characteristics can be identified in this episodic process. We all bring our identities — our expertise, our self-efficacy, our self-esteem, etc. — to the process. The process is certainly enactive where our thinking and actions combine to create our reality. The process is dependent on many cues and the resulting meaning each of us create internally, that are then injected back into our creative process. Lastly, we are driven by plausibility knowing that our information is incomplete and possibly inaccurate.

## **DISCUSSION**

Globalization challenging our cultural concepts of leadership will create an equivocal environment, triggering the sensemaking process. This creative communicative process results in the creation of new knowledge. From this perspective, sensemaking will be the creative marketplace for future leadership frameworks.

Sensemaking is a relevant leadership theory for the current environment of globalization and can be utilized as an effective leadership framework for teams. As we have noted above, sensemaking is not a new process. What makes sensemaking relevant to leadership today is how people are choosing to engage in the process as participants rather than leaders and followers. This re-conceptualization of leadership is indicated in a recent Girl Scout Research Institute study, *Change It Up! What Girls Say About Redefining Leadership* [30]. The study found that youth, girls in particular, are rejecting conventional models of leadership. The study concludes, "It's simply not

how they want to lead. Girls today appear to be redefining leadership in terms of being more inclusive and serving a larger purpose (p. #).”

Another clear indication of a shift occurs when analyzing questions being asked in leadership literature. Although Denhardt writes specifically about the future of public administration and management, his list of questions demonstrate a broader change in the conceptualization of leadership [31]. His questions indicate a recognition and emphasis on the importance of the sensemaking process.

“How do you assure that an appropriate level of expertise is incorporated into the decision process? How can you be sure that the fullest and most complete knowledge is brought to bear on the problems of state?” (p.281)

Competent leaders in this model, where sense is created collaboratively by the participants instead of dictated by a single leader, will be dependent on reevaluating conventional competencies and the development of new ones. Those in positions of authority will need to learn how to delegate and develop leadership behavior in teams rather than by delegation.

Sensemaking also integrates the three leadership perspectives found by Kriger and Seng. More companies are creating work teams of people from around the world. ‘Having’ and ‘doing’ views of leadership are integrating with ‘being’ constructs. Leitch and Davenport found that sensemaking creates a space for ideological views to be present in the process [32]. In other words, sensemaking creates an inclusive process. As more companies strive to gain strategic leverage from worker knowledge, how individuals’ identities are enacted to make shared sense becomes critical.

### **Directions for Future Research**

We have reviewed the burgeoning theory of sensemaking leadership and discussed its implications for teams in the global knowledge-based workplace. We believe the theory of sensemaking leadership makes an important contribution to leadership literature and has considerable potential for further exploration. Our review suggests that sensemaking leadership theory will be improved with a mechanism to measure the sensemaking process occurring in groups as well as the sensemaking skills possessed by individuals and the group as a whole. The environmental factors surrounding sensemaking processes within teams should be examined to understand the effect on teamwork and team success.

Additionally, our review suggests that it would be beneficial to conduct research on sensemaking leadership development. The American Council on Education states that higher education will play a crucial role in developing people who can know how other people think [33]. Future research should address the role of education activities in the development of sensemaking leadership skills. Many past studies were conducted in the business workplace and focused on the process factors and outcomes. Absent from the literature is research on the intentional development of sensemaking competencies. Since undergraduate leadership development programs have increased dramatically in the last two decades, developing intentional competencies will become more critical.

As a foundational aspect of the sensemaking model, how each individual’s identity contributes to the sensemaking process needs to be explored. The antecedents of sensemaking leadership also provide research opportunities. For example, such variables as emotional intelligence, sources of motivation, flexibility, and openness to experience, or such situational variables as education, bases of social power, early childhood experiences, organizational culture, and exposure to servant leaders, all may serve as antecedents.

Finally, communication must be more fully integrated into sensemaking leadership models and research. Leadership researchers should invite communication specialists into their own sensemaking process to create more interdisciplinary research and analysis. Some specific areas worth noting are negotiation and influence as co-evolutionary mechanisms rather than meditation of difference and creation of dominance, respectively. Kriger and Seng propose the need to develop techniques that simultaneously study inner and outer experiences (p. 798).

Sensemaking, as a leadership construct, has immense potential. It can be employed in the team or community of practice setting or as a meta-theory [34]. In the team setting it has implications for successful planned change as well as developing new meaning in our era of increased uncertainty. Sensemaking’s future as a prominent theory is unknown since it will invariably manifest as leadership scholars and practitioners continue to make sense of their experiences.

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