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Who Are We Now? Examining Internal Organizational Communication During Crisis

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WHO ARE WE NOW? EXMAINING INTERNAL ORGANIZATIONAL COMMUNICATION DURING CRISIS

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This thesis is dedicated to my wonderful family for their kind words and unwavering support in the face of the seemingly insurmountable and to my friends for their reassurance in times of uncertainty.

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ABSTRACT

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Organizational Communication scholars have thoroughly researched communicative processes and phenomena during times of organizational crisis. However, little research aims to understand the extremely important employee perspective during such hardships. In this study, through in-depth qualitative interviews, I investigated employees' reports of their roles in renegotiating organizational identity, preferred sensemaking tactics, and dissemination of communication during their company's private financial crisis. I found employees generally failed to recognize their roles in renegotiating organizational identity, instead viewing organizational identity maintenance as a responsibility of leadership. Employees also reported engaging in a number of sensemaking tactics to understand their crisis situation, such as gossip, information seeking/comparing, metaphor, blame-shifting, denial/minimization, and deriving purpose. Finally, I proposed an adapted version of the Social Mediated Crisis Communication Model (Jin & Liu, 2010) to explain how communication is disseminated within the confines of an organization experiencing crisis. Future research on this topic will shed greater light on the complex relationships between organizational identity, employee experiences, and crisis.

CHAPTER 1: INTRODUCTION

Innumerable variables factor into a company's success, one of the most fundamental being the way in which the organization is conceptualized by its employees. Organizational identity plays a crucial role in both the day-to-day and long term operations of business, as it provides a solid foundation for employees to compartmentalize and interact with a given organization. Organizational identity seeks to answer the question "who are we?", from the perspective of employees as they evaluate their oneness and alignment with the organization they work for. According to the foundational piece by Albert and Whetten (1985), attributes of organizational identity share three core characteristics. First, attributes are central to the organization. Central attributes are those that have aided in the development of an organization's history and are pivotal factors in the current state of the company. Second, attributes must be enduring, meaning that they have remained pivotal through varying organizational conditions and are embedded into very fabric of the company. Third, attributes must be distinctive in that they separate a given company from others that are similar. Attributes that exhibit all three of these requirements contribute to the development of organizational identity (Albert & Whetten, 1985). Though the concept of organizational identity has experienced great scholarly attention, avenues for further study remain.

Study Rationale

Abundant research supports the idea that a strong sense of organizational identity from the employee perspective can aid in fostering various positive outcomes for companies, including higher employee job satisfaction and performance (Efraty & Wofle, 1988), lessened turnover (Cole & Bruch, 2006; Connaughton & Doerfel, 2006), employee engagement in extra-role behaviors, reduced absenteeism (Rho & Yun, 2012), greater reported expended effort, and better interpersonal cooperation with supervisors (Bartel, 2001). It is clear that this concept, organizational identity, plays an important role in an organization's ability to satisfy and retain employees.

Though the elimination of employee turnover nears impossibility, increasing retention of exceptional employees would pose enormous benefits to an organization. The processes of recruitment, hiring, and onboarding can often be expensive and time-consuming (Blatter, et al., 2012; Parsons, 2011). Some organizations have recognized this phenomenon and are taking steps in attempts to strengthen the identification, or the degree of oneness employees feel with their company (Albert & Whetten, 1985). However, as previously mentioned, attributes of organizational identity are complex and long-lasting; these are not concepts that can be arbitrarily redeveloped overnight.

Fostering a strong organizational identity is a dauntingly complex task for any organization, as the concept itself is rife with nuance, but it becomes increasingly difficult when additional complications are introduced. The road to success in business is often lined with challenges, some of which spiral into crises. Crises are unexpected events that violate previously established expectations of stakeholders and have the potential to impact an organization's performance (Coombs, 2012). Because organizational crisis has the potential to strike at any time, it is important to recognize how it can affect an organization, more specifically in this case, how it impacts organizational identity. Companies frequently undergo financial, structural, and legal obstacles, all of which have shown the potential to impact organizational identity (Clark et al., 2010; Hinsely, 2017; Langley et al., 2012). Understanding the process by which employees make sense of crisis and in the wake of trying times would provide a greater explanation of organizational identity development and by extension, practical implications for increased retention following crisis.

Research Goals

The negotiation of identity in the early stages of an organization has been well-examined (Gioia, et al., 2010). There is basic agreement among scholars that when an organization is established, identity attributes are also developed in line with the three aforementioned characteristics: centrality, endurance, and distinctiveness, as posited by Albert and Whetten (1985). Some scholars have examined how this identity is developed initially (Giola, Price, Hamilton, & Thomas, 2010), while others have begun to investigate changes in organizational identity, focusing heavily on coordinated business challenges, such as mergers, downsizing, and acquisitions (Clark et al., 2010; Dutton & Dukerich,1991; Elsbach & Kramer, 1996; Langley et al., 2012). While these studies have generated crucial knowledge to what we know about the development of organizational identity, little research exists regarding the effects of unexpected challenges on organizational identity.

Crises sometimes threaten the very existence of organizations with little to no warning. How is organizational identity affected when a company succumbs to a government bailout? Might employees identify differently with their company following a mass shooting or complete data loss? If so, what does this renegotiation look like? This research project will focus on the process by which employees make sense of organizational crisis and reconfigure organizational identity during it, as well as the communicative phenomena that drive, and constitute, this shift.

Preview

In the following chapter I present a comprehensive review of literature pertaining to organizational identity, retention, and crisis. I begin with a broad overview of organizational identity, including its roots, definition, and key components. Throughout this thesis study, organizations of focus will be limited to businesses, which excludes nonprofits, volunteer efforts, social movements, and other types of recognized organizations. Next, I review literature tying it to positive business outcomes. I continue by introducing the concept of sensemaking and its role in the development of identity. The final portion of my literature review focuses on connections between identity and crisis, focusing heavily on the existing Social Mediated Crisis Communication Model, which allows me to draw attention to gaps in research that are addressed in my study. Following my literature review, I present three research questions regarding the sensemaking process during crisis, and the employees' role organizational identity in renegotiation, and what this means about the way in which information is disseminated throughout an organization during times of crisis.

In chapter 3, I discuss the methodological approach to my qualitative investigation beginning with a description of the organization in the case, followed by my access to it. I continue on by detailing the process of procuring participants through convenience and snowball sampling methods. Next, I describe the process of data collection, highlighting my use of semi-structured interviews to address my research questions. I finish by describing my methods of data coding and thematic analysis. In Chapter 4, I outline the major findings for each research question, highlighting responses from participants regarding organizational identity shifts at Insure Co. (pseudonym), sensemaking tactics used to understand them, and communicative relationships that tie the previous concepts – organizational identity and sensemaking -- together.

In chapter 5, I dissect the findings of the previous chapter in an attempt to understand the complex communicative phenomena Insure Co. underwent as it powered through its financial crisis. I begin with implications for employees' roles in organizational identity (re)construction, proceed to match sensemaking processes with said roles, and propose an adapted model to explain the flow of information through an organization during financial crisis. Next, I provide practical implications for organizational leaders who experience crisis and are tasked with guiding employees through it. I finish by detailing the limitations of the study, both methodological and theoretical.

CHAPTER 2: LITERATURE REVIEW

In this chapter I review literature regarding the key concepts of my study: organizational identity, sensemaking, and crisis. I begin by introducing organizational identity, its history, definition, and key attributes. I continue by highlighting work that examines the positive workplace outcomes of strong organizational identity, from increased retention, to reduced absenteeism, and more. In the following sections, I review studies that explore how organizational identity is developed initially and how it is negotiated during expected organizational challenges, such as mergers and acquisitions. Next, I introduce the concept of sensemaking, including its definition, previous application in organizational crisis, and its relationship to organizational identity. In the final section, I introduce crisis as an under-explored context for organizational identity research and argue that although Social Mediated Crisis Communication Model (Jin & Liu, 2010) has been used exclusively to examine external publics, it can be resituated to examine internal organizational communication during crisis as well.

Organizational Identity: Definition and Key Components

History, Definition, and Attributes

The term "organizational identity" was first coined in 1985 by scholars Albert and Whetten (1985). In the original definition, organizational identity is defined as the answer to the question "who are we as an organization?" In instances of strong organizational identity, employees feel their goals, ideals, and characteristics are significantly aligned with those of their organization, whereas, in instances of weak organizational identity, the existence of the aforementioned "we" comes into question. Organizational identity rests on organizational attributes that are central, unique, and enduring (Albert & Whetten, 1985). These three criteria have been heavily examined and supported by research (Ashforth & Mael, 1989; Dutton & Dukerich, 1991; Gioia, Schultz, &

Corley, 2000; Kreiner, Hollensbe, & Sheep, 2006; Scott & Lane, 2000). Regardless of the evidence supporting the original definition, it is a complex concept, resulting in its evaluation, and redefinition over years of study (Schultz & Hernes 2012; Whetten 2006). Though there is some disagreement regarding which components align with the concept, it is largely accepted that organizational identity answers the question "who are we as an organization?" (Albert & Whetten, 1985). At its core, organizational identity exists as organizational members' views of who they are as individuals in relation to who they are as an organization, as well as who they have the potential to become (Albert & Whetten, 1985; Schultz & Hernes, 2012).

Identity as Central

Regardless of the proposed discrepancies in the original criteria of organizational identity, it is important to understand and value each component for its contribution in the development of employee and organizational self-awareness. The first criteria of organizational identity attributes is that they are central to the organization (Albert & Whetten, 1985). This centrality is exhibited through pivotal status in the organization's history. Central attributes contribute to the history of the organization on the most fundamental levels (Yamashiro, 2015).

However, as previously mentioned, the business world can be challenging, meaning troubling events such as bankruptcy, lay-offs, shutdowns, and sell-outs qualify as central to an organization. Each of the aforementioned events has the power to change the organization's fundamental history and values. Employees that experience these unsettling occurrences may view the company in a new light or experience changes in day-to-day operations as a result of budget cuts and increased workloads. Little research argues against the centrality requirement, as infrequent, insignificant events are unlikely to penetrate the already existing identity (Albert & Whetten, 1985).

Identity as Distinctive

Second, characteristics of organizational identity must be unique (Albert & Whetten, 1985). Organizations come in seemingly endless forms, from global corporate businesses, to local non-profit after school programs, and everything in between. However, even when narrowing the field to a given industry, it becomes apparent that many organizations operate in similar styles. The criteria of distinctiveness attempts to identify exactly that in the construction of organizational identity. What separates one health insurance organization from its competitor? What makes it irreplaceable to employees? Aspects can be both tangible and intangible (Snihur, 2016). Perhaps, on a tangible level, the company does something as simple as offering a significantly higher match on 401k accounts than any other business to show its employees how much they and their contributions are valued. Employees absorb that recognition and find greater efficacy in their own work, which can lead to many positive outcomes (Merino & Privado, 2015).

Unique characteristics of an organization help employees separate the “us” and “them” (Albert & Whetten, 1985). They come to recognize that while they exist in the same industry and experience many of the same challenges, their organization is different, aiding in their development of an overarching organizational identity. Again, this criterion experiences little backlash. If characteristics were not exclusive to a given organization, they would be adding to the broader conceptualizations of corporate or industry identity.

Identity as Enduring

Third, and finally, attributes of organizational identity are described as enduring (Albert & Whetten, 1985). Many aspects of business are fickle. Market trends come and go, governmental figures interfere only as long as they hold their offices, and incoming generations exhibit different consumption patterns than their predecessors. In a world that is constantly shifting, it is imperative that organizational identity remains steadfast. The pieces of organizations that change with the seasons, supply and demand, branding campaigns, short-lived initiatives, are not included in the development of identity because they do not command a lasting impact on the organization. In their original definition of the theory, Albert and Whetten (1985) stated that attributes of organizational identity must exhibit “some degree of sameness”. Scholars continue to dispute what constitutes “some degree of sameness”. Perhaps it is this ambiguous phrasing that has resulted in the continuity criterion being the most hotly debated of the original three. Organizational identities must be vulnerable to change to some degree or they would not accurately reflect their company’s history. If an organization experienced a truly jarring event that was pivotal in the way the company now operates, the aforementioned three criteria suggests the event would be a central attribute. Questions remain as to how often identity can shift and what specific types of events cause the change. In the foundational piece, Albert and Whetten (1985) pose that only emerging chaotic events have the ability to modify, but what do these events look like?

Regardless of temporal and contextual disputes, the current work on organizational identity holds that, to contribute to organizational identity, factors must be central, unique, and enduring (Putnam & Mumby, 2014). Identification, or the degree of alignment and oneness employees feel with an established organizational identity can range from weak to strong, depending on and relating to a wealth of different variables (Cusumano, Kahl, & Suarez, 2008; Meleady & Crisp, 2016; Rockmann & Ballinger, 2017). Organizations that master the development and management of organizational identity report a variety of positive outcomes (Bartel, 2001; Cole & Bruch, 2006; Connaughton & Doefel, 2006; Efraty & Wofle, 1988; Rho & Yun, 2012), making a greater understanding of the concept, and its potentially fluctuating nature, all the more important.

Organizational Identity and Positive Workplace Outcomes

Intent to Leave and Job Satisfaction

If organizational identity is such a complex concept, why are companies driven to foster one that is robust? The answer is simple: strong organizational identity is related to a number of positive outcomes in the workplace (Bartel 2001; Connaughton & Doerfel &, 2006). One of the clearest benefits of developing strong organizational identity is increased retention. Through research, it has become clear that "when an individual strongly identifies with his or her organization, the organization becomes part of his or her self-concept and the individual is psychologically intertwined with the organization" (Van Dick, et al., 2004, p. 352). This phenomenon of strong organizational identification considered, leaving an organization would be detrimental to the employee because so much of their sense of self is tied to the company and would be damaged upon exit (Haslam and Turner, 2001). If an employee voluntarily separates herself from an organization, he/she is faced with relinquishing the part of their identity interwoven with the overarching organizational identity, leaving an unpleasant hole in their concept of self. The relationship between intent to leave and organizational identification has been strengthened by numerous studies.

A 2004 study by Van Dick et al. sought to uncover relationships between organizational identification, job satisfaction, and turnover intentions. Results of the study identified moderate connections between the three major variables. Organizational identification had an indirect effect on turnover intentions via its significant relationship with job satisfaction. Employees who reported strong identification with the company also reported high satisfaction in their jobs (Van Dick et al., 2004). High job satisfaction showed a significant relationship with turnover intentions, in that employees who were satisfied reported lower intentions of leaving (Van Dick et al., 2004).

While it did not identify a direct relationship between organizational identification and turnover intentions, Van Dick et al. (2004) opened doors for other scholars to investigate the phenomenon.

Connaughton and Doerfel (2006) conducted a longitudinal study to examine relationships among a number of communication variables and employees' intentions of leaving their current positions. While the study proposed five targets of organizational identification, (municipal government, immediate boss, town administrator, coworkers, and profession), survey responses still indicated that there was an inverse relationship between organizational identification and an employee's intent to leave (Connaughton & Doerfel, 2006). Through regression analysis, reported organizational identity was also found to be a significant predictor of an employee's intent to leave (Connaughton & Doerfel, 2006). This information becomes all the more pertinent when considering the United Stated Bureau of Labor Statistics (2017) reports that an average of 3.1 million people quit their jobs every month from January 2017 through July 2017, resulting in thousands of companies being faced with the expensive, difficult tasks of recruitment, selection, and onboarding. Aside from retaining employees, organizational identification plays an important role in other desirable business outcomes.

Extra-Role Behavior and Reduced Absenteeism

Beyond lowering an employee's intent to leave their organization, identification has been found to relate to extra-role behaviors (Rho & Yun, 2012). Employees who felt strong identification with their organization in a 2012 study reported more frequent completion of tasks that were not listed in their occupational descriptions, but still added to the smooth operation of the company (Rho & Yun, 2012). These behaviors include altruism and civic virtue (Vey & Campbell, 2004). People who felt a stronger alignment with their organization were more likely to go the extra mile to make their work environment a pleasant, productive place. Identification was also negatively related to absenteeism (Rho & Yun, 2012). Employees who felt identified missed work less often than employees who did not feel as strongly identified.

Effort and Interpersonal Cooperation

Bartel (2001) examined the relationships between self-reported employee identification, work effort, and levels of interpersonal cooperation with management. Employees responded to a series of scales that evaluated these three major variables and statistical analysis supported the idea that employees who felt a stronger sense of identification with their company (i.e. I am this company and this company is me), reported higher levels of effort expended on work related projects (Bartel, 2001). Many explanations exist, with the most logical being that a sense of dedication to the organization in which they feel engrained relates to their increased work effort. Beyond expended effort, employees who reported stronger organizational identification also reported higher levels of interpersonal cooperation with their supervisors, likely because they recognize the sameness they share with their supervisors, in that they are all parts of a greater whole and working toward common goals (Bartel, 2001).

Organizational Identification Product vs. Process

The system by which employees develop this identification of self and employer can be viewed as a somewhat cyclical process, in which both identities drive the other to develop. "In theory, members who derive a high degree of esteem from their organizational membership tend to exhibit high levels of identification (Ashforth and Mael, 1989; Dutton, Dukerich, and Harquail, 1994); high collective self-esteem strengthens identification because membership enables individuals to define themselves in terms of the organization's positive qualities" (Bartel, 2001, p. 385). Therefore, if employees feel positively about their position within and relationship to their organization, they report feeling more connected to said organization. After developing the initial organizational identity, employees are able to use the central, unique, enduring traits the organization exhibits to identify with it even further. While this provides somewhat of a starting point, it does not elucidate on how to develop the most initial point of identification. Early literature on the topic focused on organizational identification as a desirable product rather than a process, favoring "being identified, rather than becoming identified" (Glynn, 1998, p. 238). More recently, scholarship has taken on the challenge of examining identification in its dual nature: both a product to be attained and a process to be developed (Kuhn & Nelson, 2002).

Organizational Identity Work: Formation and Change

Forging a strong connection between employees and their workplace is no simple task. Attributes that are central, unique, and enduring do not haphazardly emerge overnight. The development of organizational identity is exceedingly complex, factoring in countless variables (Cusumano et al., 2008; Meleady & Crisp, 2016; Rockmann & Ballinger, 2017). However, complicated though it may be, research shows that when employees begin to evaluate the larger umbrella under which their senses of self, work, and employment are all interconnected, it pays, both literally and figuratively, to develop a strong sense of organizational identity (Bartel, 2001; Efraty & Wofle, 1988; Cole & Bruch, 2006; Connaughton & Doerfel, 2006; Rho & Yun, 2012). More research by Scott and Lane (2000) suggests organizational identity is the result of innumerable interactions between managers, employees, and other organizational members, pointing toward the idea that an organization's identity is co-constructed by all stakeholders. Researchers and key business figures alike have pondered for decades on effective methods for the development of strong organizational identity, and several theories of its development have been proposed.

Initial Organizational Identity Negotiation

Work by Giola, Price, Hamilton, and Thomas (2010) investigated this phenomenon. Their findings suggested that the overall process of developing organizational identity could be broken into eight smaller processes. The first four, articulating a vision, experiencing a meanings void, engaging in experiential contrasts, and converging on a consensual identity, are all sequential in nature. The remaining four, negotiating identity claims, attaining optimal distinctiveness, liminal actions, and assimilating legitimizing feedback, were recurrent in two or more of the identified sequential processes (Giola, Price, Hamilton, & Thomas, 2010).

Issue and Threat Response

Dutton and Dukerich (1991) conducted a case study in which they evaluated the way members of an organization made sense of the organization's response to an issue. The study focused on the way in which the New York Port Authority attempted to tackle the issue of local homelessness. After interviewing members of the organization, findings indicated that the company's existing identity and image influenced the way members viewed the issue. "An organization's image and identity guide and activate individuals' interpretations of an issue and motivations for action on it, and those interpretations and motivations affect patterns of organizational action over time". These results suggest issues do not affect organizational identification, but rather, identification influences the way employees respond to issues.

A later study by Elsbach and Kramer (1996) investigated how organizational members responded to threats posed to their organization's identity. Yet again, when organizational identity experienced turbulence in the form of a threat, identity itself remained unchanged. Instead, members rallied around the existing identity to defend it. Both of the previous studies support the principle that attributes of organizational identify are enduring. Through tackling difficult obstacles and navigating reputational threats, members held tight to existing identity attributes and used them to guide their actions. While this aligns with Albert and Whetten's (1985) conception of organizational identity, it also contrasts it. In their original piece, the scholars noted that identity maintains the ability to shift during times of immense change or emergency, which has been supported through more recent research.

Change/Merger Response

Common but turbulent experiences in the business world are mergers and acquisitions. Companies who merge or purchase other organizations are tasked with the incredible feat of negotiating organizational identity in a way that will celebrate and recognize the integration of both previous identities without allowing one to overshadow or entirely usurp the other. A 2010 case study in which two rival health care companies merged provided a promising opportunity to view this process up close. Clark et al., (2010) examined the processes top management teams used to bring the two previously separate organizations together as one. Identified themes were categorized as first, second, and third order, with third being the most specific and first being the most encompassing.

First order themes included concepts like the identification of mutual threats, shared concern for survival, uncertainty for the future of the company, and sense making behaviors that attempted to shift from separation to unity. Second order themes organized specific first order themes into larger, more manageable groups. These included concepts such as identity ambiguity and confusion, collective identification, and the complexity of the stakeholder landscape. Finally, all themes were organized into four first order themes: context of identity stabilization, sources of identity inertia, transitional identity, and enablers of identity change (Clark et al., 2010). Perhaps the most influential finding of this study is the premise of transitional identity. This concept permits that identity attributes are subject to transformation while also holding that other identity attributes may remain the same. As new pivotal moments are introduced to an organization, identity can expand without eliminating salient attributes it previously held dear (Clark et al., 2010). Transitional identity serves as a solution to the enduring/adaptive debate of organizational identity by providing a platform where it can exhibit both characteristics.

Organizational identity was examined again in the context of company mergers in 2012 by Langley et al. In this study, questions revolved around the *renegotiation* of organizational identity, outright recognizing the fluid nature of identity as supported by the previously uncovered concept transitional identity. Researchers identified four different types of employee identity work in the merger identity renegotiation process: mavericks, or employees who advocated for inclusive leadership, fighters, who resisted the integration of identities, adapters, who openly adopted new practices, and victims, who perceive a loss of status and retreat into their work or develop intentions to leave. While this provides a solid foundation for understanding employees' roles in renegotiating organizational identity, it does not provide any insight as to how crisis conditions impact these roles. Thus, I pose the following research question:

RQ1: What roles do employees play in renegotiating organizational identity during crisis?

Sensemaking

Sensemaking: Definition and Features

Other important findings included the discovery that transitional identity (the concept that some pieces of organizational identity may shift while other remain the same (Clark et al., 2010)) manifests in three different domains: language, practices, and space (Langley, et al., 2012). These three domains aid employees as they grapple for an understanding of what is lost, what is new, and what remains. This process can be further broken down into sensemaking, or the process by which people assign meaning to their experiences in effort to rationalize actions (Weick, 1995). Organizations encounter many obstacles that require action, sometimes before the desired amount of planning can be completed. If actions result in interruptions to day-to-day procedures, organizations often engage in sensemaking to understand and give meaning to these actions. Sensemaking, as defined by Weick (1995), is a social construction that occurs when cues interrupt individuals' regular activities. These interruptive cues then require retrospective development of meanings to rationalize peoples' actions (Maitlis & Sonenshein, 2010; Weick, 1995). In his foundational piece Weick (1988) examined how sensemaking plays a role in organizational crisis, focusing on three major foundational concepts: commitment, capacity, and expectations.

Commitment, as it pertains to sensemaking, centers around the degree to which actions are permanent and visible (Weick, 1988). When actions that are temporary and not highly visible take place, explanations for said actions can be rather casual. "As those actions become more public and irrevocable, however, they become harder to undo; and when those same actions are also volitional, they become harder to disown" (Weick, 1988, p.310). For example, imagine an organization starts a corporate social responsibility campaign to save a particular species of bird. The company publicizes their plans thoroughly through advertisements and press releases aimed at their publics. Unfortunately, while the company's actions did aid in preserving the bird species, the increased bird population nearly wiped out the local bee population, in turn hurting pollination of various plant species. Not only were the actions of the company highly visible due to promotion, but also somewhat lasting due to the fact that the bird species in question cannot simply be taken back down to its previous size in a timely, humane manner. Therefore, according to Weick's (1988) conceptualization of commitment, the company would experience a stronger need to explain and justify its actions.

On the other hand, if a company made a small change, such as switching to a new type of lightbulb that was less efficient than the previous type, they may not experience as powerful a need to rationalize behaviors if the actions were called into question by a particular energy and sustainability group. The explanation could be much more casual and transient because the change was not visible to a vast group of people outside the company and it would be simple to switch back to the old brand of lightbulb.

The second foundational concept of sensemaking is capacity. In the context of crisis, capacity refers to individuals' beliefs that they have the ability to do something about the crisis (Weick, 1988). Weick (1988) stated that positive capacity could increase employee vigilance, reduce defensiveness, and facilitate sensemaking. Heightened capacity broadens a group's perceptions and allows them to see more of the unfolding crisis (Maitlis & Sonenshein, 2010). "Seeing more of the developing crisis, people should then be able to see more places where they could intervene and make an actual difference in what is developing" (Weick, 1988, p. 311).

The third and final major concept of sensemaking is expectations (Weick, 1988). In a later piece, Weick (1995) explained that expectations connect with cues; the two combined create meanings. As with the previous two concepts, expectations can help or hinder sensemaking in crisis situations. Overly pessimistic expectations regarding crisis may result in shared expectations for performance. If an organization believes the outcome will be negative, regardless of all other factors, the message that is disseminated throughout the organization is that determination and productivity are not going to remedy the situation, therefore they are not necessary (Maitlis & Sonenshein, 2010). In contrast, overly optimistic expectations of crisis resolution may have similar effects. If the organization feels a false sense of comfort that the issue will work itself out, leaders may not encourage employees to extend significant effort to solve the problem, which can often end with a large gap between expectations and reality (Maitlis & Sonenshein, 2010). Commitment, capacity, and expectations come together to facilitate organizations' sensemaking process during crisis situations: an area that has been thoroughly studied.

Sensemaking and Identity

Since its conception in 1988, sensemaking in crisis situations has experienced a wide variety of research from theoretical additions (Weick, 2012; Holt & Cornelissen, 2014), to case studies (Degn, 2015; Fellows & Liu, 2015). One particular line of study has investigated sensemaking and identity in tandem (Bird, 2007; Tracey, Myers, & Scott, 2006; Capri, 2015). While organizational identity serves as shared sense of belonging and alignment with an organization, it can be argued that much of this agreed upon information is developed through the shared meaning of sensemaking.

A 2007 ethnographic case study by Bird investigated how women use narratives in sensemaking and identity construction within a large corporation. Findings suggested women rely on collectively constructed stories to cope with anxiety and regulate their identities. The shared information and meaning they developed from the stories influenced their identities as individuals and as a group of women. "Essentially, within a particular social community there are accepted conventions that direct the cultural and communicative practices of its members. These conventions form an implicit framework of language, behavior, and symbols that connects members together in a group identity" (Bird, 2007, p. 317).

This phenomenon was also visible in a 2006 piece by Tracy, Myers, and Scott. The researchers examined how human service workers, such as correctional officers, emergency dispatchers, and firefighters manage their identities and make sense of their work. Analysis of data showed the use of humor as a collaborative process that can be used to make sense of the work at hand, solidify individual identities, and socialize newcomers as they begin to align themselves with the existing organizational identities at play (Tracy et al., 2006). Again, the shared practices used to make sense were integrated into the group's overall identity.

Though the two may not be inherently tied, researching the concepts together has produced interesting findings regarding the intricate relationship between the two. While these tactics have been used to examine groups experiencing stressful situations (minority members in large corporations and human services workers), it has yet to be examined in the context of financial crisis. The way in which employees make sense of their employer's strenuous financial situation would provide great knowledge for leadership in companies that are struggling financially. Leaders would be able to aid employees in creating shared understanding regarding the situation and perhaps get a handle on the agreed upon development of meanings. Therefore, I pose the following research question:

RQ2: How do employees make sense of organizational crisis?

Organizational Crisis

Definition and Relevance

It is important to note that both of the aforementioned merger case studies in which identity was renegotiated were events the organizations planned in advance, making them far easier to anticipate and organize than a pressing unexpected situation. With a merger or acquisition, legal and financial changes can take months, sometimes years, to confirm before two companies are able to even considering the integration of their identities, leaving ample time for management to consider strategies to drive the process smoothly and efficiently. But what happens when an event is unpredictable? When an unforeseen circumstance is impactful enough to alter organizational attributes of identity, sensemaking and renegotiation processes do not receive as much lead time as in planned proceedings.

Communication does not exist in a vacuum, and thus, neither does the business world. Organizations are susceptible to crisis in many forms. Organizational Crisis is broadly defined as "the perception of an unpredictable event that threatens important expectancies or stakeholders and can seriously impact an organization's performance and generate negative outcomes" (Coombs, 2012, p. 2). More specific forms of crisis are easily identified: we see them on the news, on television shows, and potentially in our own families (which exist as a type of organization all their own). Crises come in all shapes and sizes, from violent acts, to natural disasters, to bankruptcy. These contexts are tied based on their unpredictable natures that have the potential to harm business practices and performance (Coombs, 2012).

Three-Stage Approach

Lenses for viewing crises have experienced much development in recent years. Perhaps one of the most popular advancements in theory is the three-stage approach. Aptly named, the three stage approach breaks crisis down into a triad of important phases: precrisis, crisis, and postcrisis (Coombs, 2012). Naturally, crisis is far more complicated than three stages, so each stage encompasses its own unique substages to provide insight to the intricate development of such events.

The first stage, precrisis, centers around signal detection, prevention, and preparation for crisis. Many crises emit warning signs before they are conceived in entirety and can sometimes be avoided (Gonzalez-Herrero & Pratt, 1995). In the precrisis stage, people responsible for managing the crisis do all they can to identify the sources of potential problems, collect information on the coming obstacles, and analyze this new information for trends and patterns (Coombs, 2012). Crisis managers are also tasked with attempted prevention of crisis, attempting to manage organizational issues, risks, and reputation. Finally, in this stage, crisis managers prepare for coming crisis, meaning they begin to develop teams to combat the problem, take steps to identify and correct vulnerabilities, begin creating corrective action plans, and prepare a system for communicating about the crisis to stakeholders (Coombs, 2012).

The second stage, crisis, begins with a trigger. This trigger signals to everyone involved that the precrisis phase has come to a close and the actual crisis has arrived. During this stage, there are two major substages: crisis recognition and crisis containment (Coombs, 2012). Though crisis recognition appears self-explanatory, it is far more complicated. In recognizing a crisis, managers must not only realize that a crisis situation exists, but also make it their jobs to understand how and why events are labeled as crises. The crisis manager is also responsible for communicating the pressing situation to higher management. This may also influence the way in which crisis information is communicated to stakeholders through the previously implemented crisis communication channel. As in the first stage, information on the event should continue to be collected (Coombs, 2012). Once a crisis has been identified, communicated, and studied, managers can attempt to contain it. Crisis containment focuses on the organization’s response following the research that has been conducted.

Postcrisis, the final stage of the three-stage approach to crisis, is activated when a crisis is deemed to be resolved. Actions in this category seek to address the question “where do we go from here?”. These are steps that make an organization better prepared for the next crisis it faces, ensure stakeholders feel positively about the crisis management efforts, and finally, check to confirm the crisis is actually over.

Social Mediated Crisis Communication Model

Numerous models exist that aid in explaining communication processes during crisis. However, a majority of these are focused on containing the crisis as it pertains to the public. A plethora of Public Relations and Issues Management theories aim to minimize the impact of organizational crisis by disseminating positive or apologetic messages to targeted audiences. While these contributions are extremely important in the development of theory, they do not apply for situations in which organizational crisis has not reached the public sphere. Understanding how messages are disseminated within an organization experiencing private crisis is extremely important. Employees remain one of the most neglected groups in the study of organizational crisis, despite the crucial roles they play in organizational success. Not only would it help identify a structure of communication flow, but may also provide insight on how to target specific groups of employees during turbulent times.

Perhaps one of the most relevant models for understanding crisis communication in this digital age is Jin and Liu's (2010) Social Mediated Crisis Communication Model. This model suggests that information surrounding organizational crisis is produced by a group called influentials. Influentials garner a following of individuals who read and engage with their produced material on social media and offline. These individuals are appropriately named followers. Finally, the remaining individuals who do not engage with influentials but look to other channels to receive information, or receive information from Influentials as a result of interacting with Followers, are called Inactives (Jin & Liu, 2010). Each group is related to the organization in crisis through the information they receive from social media, traditional media, and each other. The organization is defined in terms of crisis origin, crisis type, infrastructure, crisis message strategy, and crisis message form.

The model is extremely helpful in understanding the complex relationships between organizations in crisis, the three audience types, social media, traditional media, and how communication is disseminated through each of these components. It allows scholars and practitioners to understand why people engage with various channels during crisis and provides practical implications for reaching specific audiences. For example, the model was used to evaluate communication during the British Petroleum oil spill crisis, and revealed audiences engaged with social media to seek "insider information" on the crisis (Austin et al., 2012). The potential for overlap in internal communication during crisis is clear. Information is created a disseminated by a group of individuals and consumed by others, but little is clear, aside from that.

As previously mentioned, not all crises reach the point of public awareness. Many organizational crises are contained within companies and their internal stakeholders, such as board members, leaders, and varying other levels of employees. In fact, in some cases, disclosure of crisis by employees to outsiders may be prohibited legally. Surely, communication processes still exist in these scenarios. While the original goal of the Social Mediated Crisis Communication Model was to explain how information is spread through social media relationships during crisis, if the public nature of the crisis were removed, perhaps the model could be adapted to explain internal dissemination of communication during crisis. The defined roles of influentials, followers, and inactives pose clear potential for overlap in situations of internal communication during crisis. Adapting the model would help scholars and practitioners get a better look at the employee perspective during crisis, by extension, allowing them to target specific groups of employees with strategically designed messages to move an organization through crisis. This will be investigated in tandem with organizational identity and sensemaking during crisis in an effort to uncover potential relationships between employee crisis roles (Langley et al., 2012) and communicative audience roles (Jin & Liu, 2010).

RQ3: How can the Social Mediated Crisis Communication Model be adapted to explain communication dissemination within an organization during crisis?

CHAPTER 3: METHOD

Qualitative researchers have come to understand that "qualities are like smoke; they are real and we can see them, but they won't stand still long enough for us to form straight lines for our rulers to capture them" (Berg & Lune, 2012, p. 4). Conceptualizing and examining roles in identity renegotiation and sensemaking processes is rather like observing smoke, as Berg and Lune (2012) pose. Organizations exist in a constantly shifting, expanding landscape that never remains still, meaning concepts like identity and sensemaking are always changing by extension. It is for this reason that qualitative research methods were the best-suited to collect the complex, abstract views of employees experiencing organizational crisis. Qualitative methods are an excellent channel for extracting and evaluating minute details, articulating nuance, and interpreting experience. They help uncover how people assign meaning to experience through emotion, motivation, and language (Berg & Lune, 2012). In order to address my research questions, I used semi-structured interviews within a single company, and employed thematic analysis.

Research Context

The study was situated within a medium-sized, Midwestern health insurance company, which will henceforth be referred to as Insure Co. Insure Co. functions in a large metropolitan area, employs roughly 1,000 individuals, and serves over half a million members. Since its founding, Insure Co. has worked to diversify its products to match growing demand and now provides a range of health insurance services from government-funded programs, such as Medicare and Medicaid, to market-based health coverage plans, including packages for individual, small group, and large group needs. However, it is important to note that most of its revenue is generated from government-funded programs. In terms of service, through its marketing channels, the company emphasizes the high priority it places on member interaction and the simplification of health insurance jargon for laypersons. Insure Co. prides itself on its strong network of physicians and the close ties it fosters with a major hospital system, both of which allow for the streamlining of information flow from provider to insurer.

While Insure Co. has functioned profitably for a number of years, it recently began experiencing financial turbulence. A myriad of factors, including fierce competition, shifting leadership, mediocre service ratings, and political conditions edged the company toward a downward spiral. While many areas of the United States experienced the elimination of health insurance options due to organizations opting to leave the marketplace, the Midwest continues to boast two or more carriers in the vast majority of the area it encompasses (CMS, 2017), meaning competition is still a driving force in Insure Co.'s business model. Because Insure Co. exists as a medium-sized health insurance company, its networks are not able to reach as far as those of insurance giants, such as Anthem, limiting members' access to health services. Aside from competitive disadvantages, Insure Co. has experienced the unique personalities and leadership styles of a variety of Chief Executive Officers in the last two decades, with the most recent having been selected and introduced in the peak of financial crisis.

Perhaps one of the most devastating blows came when Insure Co. lost its previously esteemed Medicare star rating. The governing body for government-funded programs and other health insurance regulations, the Centers for Medicare and Medicaid services, ranks insurance providers annually on the quality of their Medicare services. Rankings range from 1 to 5, with 1 being the lowest and 5 the highest and are based on a number of quality factors, including long-term outcomes (which represent lasting change), intermediate outcomes (which represent temporary solutions), patient experience, access, and process metrics (CMS, 2017). Repercussions of the ranking system are imperative to strong business operations, as higher ratings result in a greater governmental budget toward members and heightened publicity for organizations attempting to attract new accounts. Insure Co.'s ultimate fall from grace came when their Medicare services were downgraded from a four-star to a three-and-a-half-star operation. Though the damage seems minimal, it was the difference in millions of dollars the company needed to provide perks to members and appeal to new Medicare patients on the market. The financial harm is compounded when considering that government programs are the leading source of revenue generation for the company.

On top of all other obstacles, Insure Co., along with other health insurance agencies, had to manage the unstable political conditions surrounding healthcare. The implementation of the Affordable Care Act drove changes in all health industries, eliminating an insurance company's ability to turn down members with costly pre-existing conditions and keeping agencies from capping an individual's lifetime coverage. While the new legislation benefited the lives of many with pre-existing conditions and provided insurance for the previously uninsured, it placed major constraints on health insurance companies, forcing many to reconstruct the business model they relied upon for decades. Difficult adjustments were posed and passed; Insure Co. responded with a series of strenuous changes targeted at complying with the new healthcare laws and regulations of the ACA. The paradox of the health care industry is that it is always shifting, which can yield both positive and negative results. Enter the 2016 presidential election, when all of Insure Co.'s previous amendments were threatened with repeal and replacement. These factors, competition, shifting leadership, reduced quality ratings, and political instability, culminated to produce the worst financial climate Insure Co. had ever seen. The bottommost position presented Insure Co. with a multi-million-dollar deficit, sparking the admission of the company's financial crisis.

However, all was not lost. Under the leadership of a new CEO, the company reorganized and reprioritized. Fighting back against the ever-changing nature of healthcare, the organization sought steady, incremental change. Although this change did require a considerable cut in workforce, it also focused on empowering remaining employees. The changes made were enough to reclaim a title of customer service, climb out of the monumental deficit, and set Insure Co. on a strong path toward profitability. This significant turnaround posed an excellent opportunity to investigate the nature of identity and internal communication during times of financial crisis and gain insight from the employee perspective.

Participants

To collect the data used to address the study's research questions, 16 participants were recruited. 87.7% of participants were females, while the remaining 12.3% were male. Half of the participants held leadership positions. The participant base was comprised of 50% Caucasian, 43% African American, 7% Hispanic American. The average age among participants was 42. Although a greater number of participants was desired initially, thorough interviews have the ability to produce quality data, so long as the interviewer takes care to derive as much deatail and nuance as possible. This idea, coined by Wolcott (1994) argues that even one interview, if conducted properly, can produce enough data for a study. The concept is referred to as comparative analysis to the count of one.

Participants in this study were current employees of Insure Co. that had worked at the organization for varying periods of time, allowing for a complete picture of perceptions of the company in pre-crisis, crisis, and post-crisis states. The sample was comprised of Insure Co. employees from different departments, including but not limited to, Business Operations, Compliance, Marketing, Customer Service, Performance Management, and Finance. Individuals of diverse organizational levels were also selected. Employees varied in title from Associate and Specialist, to Vice President. Participants possessed varying lengths of tenure at Insure Co, with the shortest tenure at 13 months, the longest tenure being 15 years, and the average length of employment being 4.8 years. Depending on their tenure, employees were able to divulge different perspectives of Insure Co.'s identity, allowing a closer look at potential shifts.

Table 1: Participants

Pseudonym	Tenure at Insure Co. (in years)	Sex
Kayla	3	Female
Sharon	1	Female
Hank	3	Male
Mary	2	Female
Grace	1	Female
Carrol	14	Female
Brenda	4	Female
Taylor	6	Female
Brianna	5	Female
Rhonda	7	Female
Erin	15	Female
Marie	2	Female
Lauren	2.5	Female
Kevin	2	Male

To recruit participants, I initially reached out to the Assistant Director of Human Resources and requested to interview 30 individuals over the course of a month. Because employees in management positions are often tasked with fostering identity within the company, it made sense to base the sample on subordinate employees. Interviewing mainly management employees could have skewed the data in the sense that management would likely have reported what they want to see: unwavering organizational identity, rather than the actual "wavering" phenomena. However, entirely disregarding the experience of management could have been dangerous in that it would leave a blind spot when attempting to view the entire case.

Selection of participants was largely done through convenience and snowball sampling methods. With convenience sampling, participants are recruited because they are easily accessible, while snowball sampling recruits participants by having previous participants refer them (Rubin & Rubin, 2012). In this study, initial participants consisted of individuals with whom I held an existing professional relationship. Upon completion of the interview, I asked these participants if they knew any colleagues that may also be interested in participating. This led to initial participants either providing contact information or suggestions for future participants, in true snowball fashion. Finally, to gather more participants, a posting was placed in Insure Co.'s corporate bulletin with a recruitment letter and my contact information, allowing willing participants to reach out to me.

Data Gathering Procedures

To investigate the renegotiation of organizational identity and sensemaking processes, participants engaged in a semi-structured, in-depth interview. In-depth interviews help reconstruct experiences and portray ongoing social processes (Rubin & Rubin, 2012), targeting quite specifically the content of interest in this study. I selected the semi-structured interview method because of the balance it strikes between the extremes. The semi-structured nature allowed for flexibility in the interview, permitting the researcher to dig deeper into pertinent material using probes and reconstructed questions (Berg & Lune, 2012). When unanticipated themes surfaced, the semi-structured interview format allowed me to tunnel into them, rather than continuing with formulated questions out of obligation. At the same time, having a basic structure ensured the interview was conducted in a linear, timely manner. This method has been honored for its ability to produce “much more textured” (Berg & Lune, 2012, p.114) responses and accounts.

My access to the company was secured through a professional relationship owing to the fact that I previously worked there as a compliance and legal affairs intern. When my employment at Insure Co. ended, I reached out to the internship facilitator via email to describe my potential project and see if she would relay my request for data collection to the appropriate person. The Assistant Director of Human Resources then responded to the intern director and asked for an anticipated timeline, which I provided. He reviewed the timeline, saved a copy, then approved my request for data collection. After receiving Institutional Review Board (IRB) approval, interviews were scheduled for the following months. Insure Co. requested interviews be conducted on site and during working hours, which did place some anticipated constraints on data collection, as employees may not have felt as free to express themselves whilst in their workplace.

After initial contact with the Assistant Director of Human Resources, I was given a point of contact to help facilitate the selection of employees. The point person asked around the organization to see if anyone would be interested, which resulted in the recruitment of three participants. Next, I sent my recruitment letter to the point of contact, who forwarded it on for approval to appear in the digital employee bulletin with my contact information, allowing willing participants to contact me directly. When the letter was posted in the digital company bulletin, employees reached out via email to schedule interviews. This method turned up eight more participants. The remaining three participants were previous professional connections who agreed to join the study.

Procedures

When each participant contacted me via email to participate in the study, I immediately responded with an email thanking them for their interest. In my response email, I also provided them with my approved consent form. I asked them to read the form, ask questions or voice concerns, then, if they agreed to the content, they were asked to sign the document and return it to me before the interview was scheduled to begin. In two cases, willing participants backed out of the study after reading the consent form. At the beginning of each interview, I reviewed the participant's rights and provided another opportunity to ask questions. I also highlighted the consent form section that disclosed my interest in recording the conversation and use the data for my overall study. After the consent form was signed, scanned, and returned via email, interviews were conducted via phone call, as the medium provided the most convenience to all parties.

Interviews ranged in duration from 21 minutes to 57 minutes. The average interview lasted 41 minutes. As many participants called during their half hour lunch breaks, it was difficult to control interview length. To accommodate for this, introductory questions were shortened to allow more time for probing in meaningful areas. As previously mentioned, interviews began with an overview of participant rights and opportunities to ask questions or voice concerns. Next, I provided a rough overview of the purpose of the project and outlined the sections of questions the participant would encounter as we moved through the interview.

Because the interviews were semi-structured, I developed an interview guide to loosely organize the conversation. Each interview began probing about Insure Co.'s identity, both previously and currently, examining participant experiences with organizational identity before, during, and following Insure Co.'s financial crisis, as well as the methods in which they engage to make sense of their situations. Finally, I concluded each interview with a set of questions aimed at digging into current and future outlooks on the company from the employee perspective and asking questions geared toward what actions they believe moved Insure Co. through its state of financial crisis. Probing questions were added as necessary to delve into pertinent content. When the interview concluded, I thanked each participant for their time and input. I then reflected to myself on the interview and took relevant notes while the interaction was still fresh in my mind.

Data Analysis

Data analysis followed closely the chronological suggestions of Rubin and Rubin (2012). After recorded interviews were completed and saved, I transcribed them. Due to the sensitive nature of the information, I did not engage transcription services in order to further protect the confidentiality of my participants. I added notes from the interviews to the transcriptions to enhance further the richness of data. Once I fully transcribed interviews, I coded for pertinent concepts, themes, events, examples, and dates (Rubin & Rubin, 2012). I began coding by simply reading transcripts and notes to identify interesting phenomena and consistent themes throughout interviews. After three interviews, a number of themes appeared consistently enough to create folders and spreadsheets to house the unique concepts. I assigned each theme its own color code and pertinent quotations that represented then placed it into an organized spreadsheet. Upon the completion of coding, the previously highlighted were grouped together into a single data file and summarized in a paragraph. Finally, I edited these paragraphs and organized them to create a coherent summary of employees' experiences during Insure Co.'s financial crisis.

The true intricacy of qualitative research does not simply lie in summarizing, however, but rather in the researcher's ability to weigh and integrate the summaries into a complete picture of a phenomenon at hand. For this reason, I integrated surfacing themes to paint a picture of underlying processes of organizational identity development and sensemaking after crisis. The most difficult part of data analysis was attempting to draw connections between shifts in identity and sensemaking tactics to provide clear implications for both practical and theoretical application moving forward.

CHAPTER 4: FINDINGS

The purpose of this research, as previously noted, was to examine the renegotiation of identity, sensemaking processes, and the ways in which information is disseminated within an organization experiencing crisis. To do this, I posed three research questions. RQ1: What roles do employees play in renegotiating organizational identity during crisis? RQ2: How do employees make sense of organizational crisis? and RQ3: How can the Social Mediated Model of Crisis Communication (Jin & Liu, 2010) be adapted to explain communicative processes within an organization during crisis? Each of the three major sections of my findings below is organized to address the research questions. I conclude the chapter by tying all three questions together in a prelude to the subsequent implications chapter.

Roles in Renegotiating Identity During Crisis

Insure Co. team members are currently positioned between crisis and post-crisis phases, exiting the difficult financial period of their company. Although employees provided deeper information through questioning, initial descriptions of identity were highly surface-level. Grace, an employee from the Business department, when asked who Insure Co. was, simply said, “Insure Co. is a health insurance company whose parent company is Health Org.”

Even after thorough questioning and probing, employees were reluctant to discuss their participation in facilitating Insure Co.’s identity during the financial crisis. Instead, employees posited their actions were nearly always the result of changes imposed by management due to the crisis. Geographic location and ties to community were sacrificed in the name of a cheaper lease. The workforce size and unique employee relationships were impacted through retirement and lay-offs in efforts to reduce payroll costs. What used to be a clear relationship with its parent company became murky as profitability statuses shifted, and the customer-focused nature of the company, though having existed in the distant past, was still a mechanism employed to aid the company's abysmal customer service ratings (a leading cause of the financial crisis). Therefore, when asking employees about their roles in renegotiating organizational identity during crisis, they were not conscious of them, producing somewhat of a non-finding. Insure Co. workers believed they were simply tasked with finding ways to understand and adjust to the changes that came with the financial crisis.

Making Sense of Crisis

Due to its unforeseen nature, organizational crisis can pose extreme stress for all employees, regardless of tenure or position. For this reason, they are forced to grapple with their reality and make sense of the crisis they experience by assigning meaning to the events as they unfold. The financial crisis at Insure Co., though compounding over a series of years and shortcomings, culminated somewhat quickly, resulting in employees scrambling to understand their situation. Employees disclosed changes in a handful of impactful factors, such as geographic location, size, perceived relationship with its parent company, and organizational purpose. The discomfort these changes inflicted came to be understood through various tactics, as described by participants. The most prominent methods for sensemaking during the financial crisis at Insure Co. were gossip, blame shifting, denial, metaphor, comparison, and information seeking. Each of these strategies allowed employees to come to terms with their situation and understand how they should proceed. I will begin this section by detailing the jarring changes Insure Co. employees experienced, then go on to describe the methods of sensemaking they reported to have engaged in to understand their situation.

Organizational Changes

Geographic Location

Potentially the most commonly reported change was the upcoming move for the company. Located in a large metropolitan area, employees have come to intertwine the organizational identity of Insure Co. with the attributes of the city in which it operates. Employees also highlighted how Insure Co. is not part of a national chain, making its business operations easier and more responsive. “We’re more nimble. We don’t have to cross state lines. We have (state) department of financial services here so we operate in one state”, said Hank, Insure Co. employee of almost three years. Employees generally expressed positive experiences with operating in a fixed area. Previous research consistently shows links between organizations and their local communities (Marquis & Battilina, 2009). Employees viewed presence in the city as a steadfast piece of Insure Co.’s existence.

However, the company has recently rented a new facility in a neighboring city and is scheduled to move most of its operations to the new location by the end of the year. Mary mentioned how a small number of employees will remain in the original city to maintain a certain level of connection with the area. “Health Org. (parent company) wanted us to stay in our current city for presence. We are going to have a small operation here so Insure Co. is still present”. Clearly this highlights the organization’s dedication to its founding city and its desire to continue to foster the relationship between organization and community. One employee, Mary, viewed the move favorably: “They’re renting a facility in (neighboring city). Oh my gosh, it’s so cool. It’s an open concept, they have all these different things now like…you’re not going to have a cubby, you’re going to work out in the open.” Though Mary expressed excitement about the potential benefits of the move, she also mentioned the strain it has placed on other employees. “Going to this new building, a lot of people are upset based on travel time, what do they do with their kids, and everything…". Employees also mentioned that the relocation was a cost saving move, as the new lease is cheaper than the existing one. Overall, it is clear the new location is a change employees were not expecting before the financial crisis.

Size

While location was important to employees, they also had much to say regarding Insure Co.'s size. As previously mentioned, the organization employs roughly 1,000 individuals to help carry out its operations, which employees saw as affecting them both in membership and interactions between team members. Several employees spoke to this idea as being both a benefit and potential weakness. An employee who arrived during the pre-crisis phase compared her experience working for a larger healthcare organization to her switch to the much smaller Insure Co.: "It was just like you were a number and nobody knew you. There were thousands of employees, where at Insure Co., there are only hundreds. Everybody is on a first name basis. If I say 'so and so' in Billing, everybody knows who that is". It quickly became clear that Insure Co. is an organization in which relationships are valued. Employees mentioned even simple acts such as holding an elevator contribute to the part of Insure Co.'s co-worker relations.

Not everyone agreed that Insure Co. is a small company, however. Kayla, a team member with experience working at both Insure Co. and its parent company, Health Org., was quick to highlight the idea of a more fluid organizational size. "I always describe it as a big-small company because of the Health Org. aspect of it". Kayla referenced how Insure Co., even as a small company, finds a lot of power in being backed by its large parent company. "It is attached to a much bigger, more predominant…beast, if you will. In a lot of ways, that's kind of the best of both worlds". However, the relationship between the two organizations was one of the largest points of contention among employees in describing their crisis experience.

During the crisis phase, it was announced by Insure Co.'s CEO that the company would be "right-sizing". The perfect size that employees had come to know was under threat due to a loss of Medicaid contracts. When the organization lost their ability to provide Medicaid services in their key area of operation, it cut down significantly on their membership. The small workforce employees had grown accustomed to shrunk even smaller, forcing many to relinquish work relationships with colleagues as they left. As previously discussed, employees collectively create organizational identity (Scott & Lane, 2000). By extension, this suggests that eliminating employees would potentially impose a shift in identity, and this idea was not lost on Insure Co. employees. Sharon, a manager responsible for overseeing a team of employees said that when it came to cuts, there was "definitely fear, and I think it wasn't, as a leader, fear for myself, but fear for my staff. I knew I would be okay, but my staff members…this is all they know. A lot of them, all they know is Insure Co. They've been here 25 years."

To appease the growingly anxious workforce, executives offered retirement packages to people who were eligible, insisting that this would reduce the number of lay-offs if employees took advantage of the option. Employees hoped it would help them avoid what became known as the "Insure Co. Tap" among the team members, meaning the selection process during lay-offs.

Employees who were not in management positions experienced the size shift differently, still. Grace, described the situation: "First, you wonder who it's going to be. You hear the rumors or hear there's going to be changes, and the first thing is, "oh no, is it going to be me?" You get worried every day, always looking over your shoulder like, "oh no, am I going to get called down to the office?" Then you find out it's not you, and there's a second of relief, but then it's like, 'oh no. These people we did end up losing, they were my friends or they were good workers.' Then you start to feel like…no one's safe. If we lost them, and they're really good people, they'll get rid of anybody." Employees expressed a growing feeling of expendability which is a far cry from the organization previously described where relationships were valued.

While employees identified a shift in size, it would appear the real change was to employees' perceived value. Participants described how, initially, relationships between colleagues and management were strong because of the company's small size. Employees felt as though they fit in with their colleagues and Insure Co. was an organization that encouraged strong interactions among co-workers. However, during the crisis-related budget cuts, a number of employees were let go, which impacted the sense of belonging and made employees question their value to the company as hard-working co-workers were released.

Perceived Relationship with Parent Company

Insure Co. is irrefutably tied, in many ways, to its parent company, Health Org (pseudonym). While the relationship between the two organizations is clear on paper, it proved to be murky from the experience of employees. Insure Co. largely provides health insurance services, while its counterpart provides healthcare services. Employees saw this relationship as simultaneously comforting and stifling. From a positive perspective, Sharon, a fairly new employee who moved to Insure Co. from Health Org. highlighted the financial backing of the larger parent company and the comfort it provided during uncertain financial times. "We'll be good. We got Health Org. to back us." Kayla also mentioned the give and take of the two company's revenue generation. "When I was at Health Org., Insure Co. was always the one that held everybody up. Financially, Insure Co. always did really, really well, and Health Org. struggled sometimes." Kayla also pointed out how that relationship has reversed in recent events: "We went from Insure Co. holding everyone up to Health Org. holding it all together. They started becoming really profitable…and Insure Co. started to struggle”. Much of the company’s identity had become tied to its role as a profitable subsidiary of its sometimes financially unstable parent company. When the roles reversed, employees were taken off-guard.

Kayla pointed out gaps in mindset between the organizations, with Health Org. being more focused on consumers due to the direct and somewhat dire nature of interaction. “We all know we need to make money, but you’re standing in front of a patient, and there is no substitute for that. That whole mentality filters through the whole organization because people who are in leadership roles and people who are in supporting roles, many of them have spent time as a caregiver in some capacity, even if it’s caregiver. Everybody has that same mentality-that same focus”. Employees described a struggle between the intricate financial interdependence and cultural control in a vein similar to that of the autonomy versus connectedness dialectical tension. Regardless of how each participant described the relationship to Health Org., it is clear employees perceived a change in relationship with Insure Co.’s parent company during the turbulent financial time.

Customer Service

While factors such as location and organizational connections were reported as pieces of Insure Co.’s identity, customer service also received its share of discussion. Repeatedly, participants painted a customer-friendly picture of the company, consistently using the terms “member-centric” and “customer-centric”. Sharon described the phenomenon thusly: “I think Insure Co. as a whole is about member focus. Insure Co. is compassionate about the member and wants to ensure that we provide exceptional customer service to our members, no matter how we touch them.” Grace also mentioned the focus on customizing service for members and said Insure Co. was “getting personal, asking those questions to find out the facets of that person and what is important to them”. Hank suggested that customer service had been an intention all along, but was receiving newfound attention: “It’s always been there, but there’s so much focus now with the consumer experience initiative that’s going on to really get at the heart of the member experience, and identifying with the member experience, and being responsive to the member experience.”

Kayla echoed Hank’s description of this shift while highlight again the different mindsets of Insure Co. and Health Org. “So there is a shift happening now that’s getting much more member-centric, but Health Org. was way ahead of that…They both care about their members, they both care about their patients, but we kind of got lost along the way and that’s what we’re trying to get back to”. This data suggests that part of Insure Co.’s shift in focus has placed high priority on creating a satisfying member experience, and concept that used to be central to the company, but lost consistency throughout the years.

Sensemaking Tactics

Employees described a variety of changes that took place during Insure Co.’s financial crisis. It is imperative to understand how they came to make sense of their situation and proceed with work. In this section, I will discuss the five major methods of sensemaking that arose through coding: gossip, information seeking/comparing, metaphor, blame-shifting, denial/minimization, and deriving professional purpose. Table 2 (below) provides descriptions and examples of each tactic.

Table 2: Sensemaking Findings

Sensemaking Tactic	**Meaning**	**Example**
Gossip	Seeking and providing information through unofficial channels of communication (watercooler talk).	“The rumor mill is crazy. The rumor is we’re getting sold, we’re not going to bring any more customer service reps in, we’re only going to service Medicare and health."
Information Seeking/ Comparing	Seeking out new information and comparing one's knowledge to that of others in attempt to derive personal value.	"Perhaps some more individualized departmental guidance would help avoid the, ‘Oh, I didn’t know that, I don’t know what that means. I can’t ask any questions’, which is certainly not the intended communication from anybody”.
Metaphor	Using familiar situations to draw similarities to unfamiliar situations.	"Well, (an organization is) kind of like a marriage: when the finances start to go, everything else goes downhill too".
Blame-Shifting	Removing the burden of change by transferring responsibility to other entities (people, departments)	“Everybody blames customer service. ‘Customer service people are answering their phone questions incorrectly. Customer service people are doing this; customer service people are doing that.’ They never realize that they don’t even have the information you told them they should have."
Denial/ Minimization	Refusing to admit the organization is experiencing crisis or a refusal to admit that it is a serious issue.	“I think some people were like, ‘Been here 25 years, seen this before, we’ll get through it.’ Right? Just another time, another CEO, whatever.”
Deriving Purpose	Using crisis scenarios to define a personal role within the company and understanding how it contributes to the organization's success as a whole.	“What it did for our department as process improvement people was, it was a time where everybody needed us because we had to make things easier for them, find a way to streamline things that they did because they had less time, less staff, and more to do. We had to make things easier for them”.

Gossip as Sensemaking

The infamous “water cooler talk” is a staple of nearly every corporate organization. Previous studies have identified this type of communication as a method of informal knowledge sharing and argued that this "backstage" approach can actually be a hidden contributor to organizational learning (Waring & Bishop, 2010). In the case of Insure Co. and financial crisis, employees openly admitted the workforce was rife with gossip. Kayla said, "The rumor mill is crazy. The rumor is we're getting sold, we're not going to bring any more customer service reps in, we're only going to service Medicare and health. We're going to outsource all of our customer service to an outsource company. There are lots of things out there. Lot of rumors out there, and I don't know where they start or where they get them from, but…when a big group starts rumors, and they're telling them to others, it doesn't take long." In their quest to answer the question, "what does this crisis mean?", employees swapped bits of information between departments and even buildings.

When asked what topics of discussion for watercooler talk were, Hank responded that everyone was asking questions. "How did it get this bad? Why did it have to happen? What does this mean for me?" This quotation in particular highlights how employees employed gossip to make sense of the problems they faced. As previously noted, watercooler discussion is not inherently bad. It poses a backstage platform for employees to share information that formal channels may not allow (Waring & Bishop, 2010). However, the determining factor in this communicative method's effectiveness may perhaps lie in the truthfulness of the information being transferred. Gossip contributes to organizational learning when the messages being sent are relevant and helpful in understanding organizational phenomena and processes (Waring &Bishop, 2010). The necessity for this type of communication also insinuates employees did not feel they were receiving enough information and began to seek it elsewhere.

Some managers took it upon themselves to combat this method of sensemaking by addressing rumors with their teams as they arose. "They want to make sure we hear the right message and not just some pieces of it or a rumor, something incorrect. I like that they pull us right away and say, 'you're going to hear stuff, but let me just tell you first before it gets out of hand'", said a member of the Business Operations team. It is hard to tell whether this tactic interrupted or facilitated employees' pursuit of sensemaking. It does appear to have led them to receive more knowledge, but stifled their ability to assign meaning on their own terms. While groups of employees gathered to exchange information behind the scenes, others took a more direct route, seeking information from formal channels.

Information Seeking and Comparing as Sensemaking

When a new Insure Co. CEO was hired, she held her first State of the Company address to inform employees of the situation they faced and the plan she and her team had developed to remedy it. While employees generally reported they appreciated the formal report, many were left with remaining questions. Instead of relying on the consistent flow of hearsay, several employees described their attempts to gather more information on the financial crisis by reaching out to what they deemed to be credible sources. Carol, an Insure Co. employee of 15 years who manages a group of people described situations in which her employees would reach out to her directly for clarification and reassurance. She also expressed frustration in not always being able to deliver the information they sought for reasons of uncertainty or obligation. "As much as you try and coach and council people they still ask…. 'Carol, can you really say that with assuredness? That it won't be me?' Well, I can't say that because I don't know it won't be me! We couldn't tell them that weren't going to be at risk." She continued by discussing the open floor she created to allow her employees to ask questions. "I am very honest and transparent, so I say, 'please understand, this is where we stand today. I'll tell you what I know as of this particular moment. All information doesn't come to me. It could change.' We did a lot of huddles. That way we could get issues on the table and get back to work." Instead of attempting to seek out and dispel rumors, Carol allowed questions and concerns to surface naturally as employees sought information or clarification. However, not all managers too this open approach.

Kayla reported that questions were often *out* of the question. "My department was closer to it than most, so we had a little leg up, but even then, you're constantly getting this, 'you just need to do this, don't ask me why, you can't know'". Grace reported a similar experience. "In our department, I saw our leaders getting a little nervous at times, and being like 'there are key people that, if they ask you to do anything, you drop whatever it is and you do it!'". This elimination of information seeking on a formal level leaves the informal level as the only channel to discuss questions and concerns, explaining the active rumor mill during the crisis phase. Other leaders, though not as abrupt, did not call employees together on a departmental or team level to discuss what the crisis and potential changes meant for them. I agree with the format where everybody was notified at the state of the company format," said Hank, "but perhaps some more individualized departmental guidance would help avoid what you said in the 'oh, I didn't know that, I don't know what that means. I can't ask any questions', which is certainly not the intended communication from anybody".

Employees also made sense of their situation by comparing their amount of knowledge to the amount of knowledge others had. This is evident is phrases such as "we were closer to it than most" or "our department was told we were safe". Another participant was pleased that she receives information before she felt it was common knowledge. "Our director and our VP pull us together immediately and the talk to us before any big announcements come out". This possession of knowledge is obviously seen as a source of comfort by employees that allows them to understand where they sit in the organization during this crisis. People who feel they know more than others tie their access to knowledge as a measurement of their worth. Classified information holds a certain value, that when shared with a select group, communicates their value as well.

Metaphor as Sensemaking

It is human nature to identify patterns and seek similarity in situations that are different. People are drawn to metaphor because of the connections it allows them to make between events that are familiar with ones that are not. Insure Co. employees engage metaphor to help navigate the unstable financial landscape. When attempting to rationalize Insure Co.'s shift from quantity to quality in terms of membership and customer service, one employee explained it thusly: "I can go into Walmart and get half the price on a box of cereal, but I know that line at Walmart is ridiculous, and that's not a real good customer service experience. I can go to Meijer and spend two dollars more to know that I'm going to get exceptional customer service and I'm going to get in and out. I'm going to go to Meijer before I stand it line at Walmart and feel unappreciated." Having only been at the organization for a short time, it is possible this particular employee has never experienced the customer service that other participants claimed Insure Co. used to be known for. To help understand this enormous new shift in priority, she compared it to something familiar: grocery shopping. Metaphors help simplify what may feel like a chaotic experience by comparing it to something almost mundane.

Perhaps one of the most powerful metaphors captured the similarities between the unfamiliar financial crisis and financial troubles in a marriage. When asked how relationships between co-workers progressed during the crisis phase, Carol said "well, it's kind of like a marriage: when the finances start to go, everything else goes downhill too". She compares the relationships of co-workers to those of spouses, asserting that financial security is one of the key building blocks of fostering a healthy marriage, which many studies corroborate (Conger & Conger, 2002; Bryant et al., 2008; Ross et al., 2017).

In fact, financial trouble was identified as one of the top seven reasons for couples to divorce in a 2016 Huffington Post article (Payne, Olver, & Roth). Employees also described a desire to outperform their coworkers in an attempt to remain valuable during a period of lay-offs. Interpersonal relationships were clearly at stake as employees veered further from their colleagues. Kayla tried to rationalize the cutthroat reactions by saying these actions were survival tactics. "Things got a little bit dicey there, a little ugly from person to person. I think it was survival mode. I think it got a little uglier than it needed to be." Carol's marriage metaphor helps describe how relationships during the crisis period took a negative turn, as employees, who struggled in vain to make sense of their situation, began shifting blame to whatever target they could find.

Blame-Shifting as Sensemaking

Blame shifting is a familiar concept in Public Relations and Issue Management literature. The concept is fairly self-explanatory in that it describes the process of alleviating the burden of blame by identifying the source of the negative behavior or event in question as a result of another party's actions (Harlow, Brantley & Harlow, 2011). Blame-shifting is visible in many high-profile crises, as organizations hurry to transfer the negative effects and perceptions to another organization or individual person. While this tactic can be effective, the ideal method of shifting blame must be selected based on context. Though research examines this phenomenon from the external organizational lens (Harlow et al., 2011; Hood, 2007), little research has investigated how blame is conceptualized or shifted within the organization, from management to inferiors, from department to department, or from colleague to colleague.

Insure Co. employees touched on this concept numerous times, often describing their experiences as “finger-pointing”. A participant who works closely with customer service expressed frustration that much blame falls on customer service representatives. “Everybody blames customer service. ‘Customer service people are answering their phone questions incorrectly. Customer service people are doing this; customer service people are doing that.’ They never realize that they don’t even have the information you told them they should have. They don’t have access to this system that you think they have. You don’t know.” Insure Co. took a substantial financial hit when it did not receive the required star rating for its Medicare services, in part due to poor customer service scores from members. While some employees were quick to blame the call center representatives, others focused their blame on training practices: “Our customer service is all over the place. We have high turnover. They don’t do proper training, so they don’t know how to ask the right questions.” Another employee, Brianna, wondered aloud, “How did Underwriting let this happen?” in reference to the multi-million-dollar deficit the company experienced when servicing some of its largest clients.

Apart from blaming specific departments, participants also discussed the negative impact of a recent acquisition. The organization, hereby called Work Health, was acquired by Insure Co. in 2014, directly before financial issues began. Because of the timing, some participants described how their colleagues blamed the new company for Insure Co.’s financial decline. An employee who worked directly on the acquisition said “There were a lot of complaints about Work Health coming over like, ‘ugh, they were the problem because we spent all this money to get them, and what are they bringing to the table?’” This illustrates how employees faced with crises who fail to identify causes in their own work or their organization’s operations shift blame to parties that they are less familiar with. Kayla described the difficulty of merging the two companies: “They have yet to integrate with our system…when we took over Work Health, they had a different culture altogether than Insure Co., and we tried to marry them."

When employees could find no one else to blame for Insure Co.'s financial crisis, they resorted to shifting responsibility to the U.S. government. An employee who works in the Compliance department described the daunting task of keeping up with ever-changing government regulations in healthcare. When asked about his time at Insure Co., he responded he "hit the ground running and Insure Co. really stopped because of all of the ACA changes and administration changes. It's a moving target as we offer compliance guidance to the ever-changing regulatory environment."

The desire to shift blame functions as a sensemaking mechanism as employees struggle to comprehend their current uncertain situation. They are reluctant to accept responsibility in their own roles, departments, or organizations, so they attempt to transfer the negativity to other entities. While this tactic is normally used in Public Relations to help repair an organization's image (Harlow et al., 2011; Hood, 2007) it appears blame-shifting's purpose within the organization is to help assign meaning to unfamiliar contexts, as well as protect one's position during periods of staff reduction.

Denial/Minimization as Sensemaking

The tactics above are all strategies Insure Co. team members employed to make sense of financial crisis. Employees who engaged in those methods recognized and accepted that their company was experiencing a financial crisis, but not every employee followed suit. Several employees denied that Insure Co. had reached a state that could be called crisis, regardless of the fact that tens of millions of dollars had been lost and over one hundred employees were laid off. When asked what his experience with the financial crisis had been, one participant responded, "So, you're saying financial crisis…but I don't know that…has Insure Co. really defined it as a financial crisis?" After being read the definition of organizational crisis, he did agree that Insure Co. was experiencing one. Denying that a crisis is taking place would mean an entirely different sensemaking process was either in progress or had already been completed, which led to the position that no crisis was being experienced, therefore there was no need to assign meaning to it.

In a similar vein, a sizeable group of employees, instead of attempting to make sense of the crisis, used the opportunity to exit the organization. These actions were visible on every level of the organization, as noted by Kayla: "I mean turnover, turnover, turnover. At the highest levels, at the lowest levels, at every level". While some employees were committed to buckling down and coming to terms with their reality, they were disappointed to see others resign: "My response from where I sit in life, is roll up your sleeves, do whatever I can do, work as hard as I can to make sure that I'm making a difference every day. Some of the others, from my observation, and I'm just one survey respondent in your study, here. I saw others who took it as an opportunity to leave." The same participant suggested the younger generations were more apt to leave than more senior generations, a position which was later corroborated by Mary: "I don't know if the incentives aren't good enough for this younger generation, but it's very frustrating".

Conversely, other participants argued that the decision to exit the organization was based more on experience and current life position than generation. The main idea behind this position was that employees who had been in the workforce for a long period of time and accrued a good deal of experience or were eligible for retirement had less to worry about if they were cut. An employee with less tenure at the organization said, "I think that maybe the older generations are in their 50s or 60s and can just go work as contractor or work part-time. They've already had a full career. Those of us that are earlier in our careers and just getting started, we were a little bit more worried about where we'd go next. Maybe that's what it was. I definitely saw some of our directors like, 'oh well. I'll take some time off. My kids are grown. They're out of college or they're married.' Maybe they don't really have the expenses. I would just saw it's more about professional level than generational level." This perspective makes it seems as though exiting the organization is less of a refusal to make sense of crisis and more of a signal that the person has already assigned meaning and determined exit to be their best option moving forward. The quotation also highlights some employees' tendency to minimize crisis as a way of making sense of it.

Consistently, participants described how they or some of their co-workers would not necessarily deny that a crises was taking place, but would brush of the fragile state of the company by comparing it to previous experiences they had in which the organization in question survived its financial struggle. Kayla observed this very attitude: "I think some people were like 'Been here 25 years, seen this before, we'll get through it.' Right? Just another time, another CEO, whatever." Interpersonal communication research suggests that minimizing a person's concerns rarely contributes to positive future interactions, especially in situations of social support (Crockett et al., 2007; Helgeson & Cohen, 1996), which undoubtedly transpired as colleagues leaned on one another to understand their situation. Regardless, participants reported that many employees made sense of the crisis by either denying its existence or minimizing its potential impact.

Deriving Professional Purpose as Sensemaking

Crisis is difficult. It can cause employees and organizations to react in a lot of negative ways, but much like controlled forest fires, it can help cultivate conditions for growth. Amidst the Insure Co. employees who were responding by shifting blame, denying issues, or gossiping, there were other who made sense of the financial crisis by using it to redefine their roles as employees. So was the experience of Sharon: "Now, it's definitely a rewarding experience because we're at a time where we're in a financial crisis, so this is a time where you can make or break the company." She clearly recognizes her ability to contribute to remediating the company's financial issues and, as a newer employee, is eager to prove her value.

Other Insure Co. team members derived their purposes out of necessity, including, increased responsibilities as mentors to younger employees who are experiencing organizational crisis for the first time. Hank described his attempts to mentor his younger colleagues: "I think there was more mentoring from this generation. You know, 'we have to hang in here, do what we can do. Think what we can be if we do these steps. There's a good reason for this. No one likes a reduction in force. No one likes to go through these things, but if we follow the blueprint and we follow the strategy, we'll come out a better Insure Co.'". He went on to explain how the crisis really spurred him to add mentorship to his day-to-day activities and helped define his role in the company more clearly than ever before: "In the past, I didn't feel I had a role. Now I think there is a role today, so that kind of leads you back to the differences between where we were and where we are now… Now, I do."

In separate cases, the need for organizational reform was heightened due to crisis. Though many were bogged down by the smaller number of employees and the lessened budget, a member of the process improvement team welcomed the opportunity: "What it did for our department as process improvement people was, it was a time where everybody needed us because we had to make things easier for them, find a way to streamline things that they did because they had less time, less staff, and more to do. We had to make things easier for them". This perspective was also taken by Training professionals: "We were the training. We trained the new hires into the company so you have to be positive. We also train customer service and you can't be negative with customer service because that reflects itself in their ability to service the members." The brilliance of crisis is the way in which it can awaken a calling in those involved.

The right amount of pressure has the potential to provoke greatness in people that they sometimes do not even realize they are capable of. The million-dollar question is how to manage crisis in a way in which employees respond by finding purpose. It is not a question of whether or not people want to do purposeful work, as a recent Forbes article states "82% of employees say they want to play important roles in their companies" (Mullich, 2018) and countless studies have indicated meaningful work is empowering to employees (Arnold, Turner, Barling, Kelloway, & McKee, 2007; Britt, Adler, & Barton, 2001; Steger & Dik, 2010). It begs the question how can an organization instill purpose in the minds of its employees even during times of financial crisis? The case of Insure Co. suggests that the ever-elusive link between crisis management and deriving purpose lies in communication from top management, or, as the Social Mediated Model of Crisis Communications would call them, influentials.

Internal Communication During Crisis

Understanding how communication is disseminated throughout an organization during times of crisis is crucial for handling these chaotic situations. Based on the data I collected for this study, employees felt a majority of information was produced by leadership. If experiencing organizational crisis is difficult, then it is safe to say leading the charge in turbulent financial times can be challenging as well. Leaders accept the condition that the decisions they make and actions they take affect not only themselves, but also every stakeholder the company touches. For this reason, it is beneficial to understand how communication flows from the point of creation (leadership) to targets (employees) during crisis. If planned and executed properly, leaders can aid employees in deriving purpose from strained resources rather than crumbling under the weight of uncertainty.

Insure Co. has undergone a myriad of leadership shifts in previous years, finally settling in with a new CEO, Alex, at the peak of their crisis situation. Through various recollections, it is clear that her arrival sparked changes in nearly every aspect of the organization, including communicative methods. When asked about the CEO's communication style, participants said she was transparent and disseminated responsibility, actions that received unanimous praise from participants, as well as their colleagues. It is important to examine how these communicative characteristics contribute to circulation of information during crisis.

Transparency in Crisis Communication

The concept of transparency in organizational communication is far from fresh. Many scholars have investigated the degree to which the public desires and perceives transparency in organizational operations and communication (Coombs & Holladay, 2010; DiStaso & Messner, 2010). However, a majority of this research focuses on the image of the organization as perceived by individuals external to it. Employees are rarely questioned about the degree to which executives are transparent in their day-to-day operations, likely because they have been socialized into following orders and respecting the decisions of management. However, in times of crisis, this socially constructed precedent is at danger of falling to employees' need to understand their situation. Understanding how managements' level of transparency influences employees during crisis would provide a key piece in conceptualizing and conquering the crisis itself.

Insure Co. employees were open that previous leadership never let on to the dismal nature of their financial situation. For a period of time, the company did not have a CEO and simply operated with an interim, who also functioned as the CEO of their much larger parent company.

However, when their current CEO, henceforth referred to as Alex, entered the picture, that all changed. “We weren’t really being monitored when the last CEO left,” admitted a credentialing employee, “so they brought in a new woman, Alex. She is amazing. I mean, she’s straight to the point. She will tell it to you like it is.” After going so long without guidance, the new Alex’s nature was welcome among employees who felt in the dark. Carol recalled her experience in discussing finances with previous leaders: “I remember being in meetings, and I had looked at the finances, so I knew they weren’t good, but this person, he just kept saying, ‘it’s not bad. This may not sound great, but this is not a bad thing,’ and I thought to myself, dude, I need you to tell us when its five alarm. Don’t make me think that this is just a little, tiny, smoldering fire when in actuality, you’ve called in five different counties to come in and help take care of this. This is a five alarm, and I need you to act like it’s a five alarm. It bothered me that they weren’t”.

These depictions point to a nuanced dialectical tension between conveying urgency without creating panic. Employees expressed the desire to know when conditions are potentially dangerous. However, sounding the alarm could also incite mass hysteria within the organization as employees attempt to process the news. It appears Alex’s strength lied in her direct approach to addressing employees. Carol described how everything about management’s communication has changed since Alex arrived: “She’s been very direct from day one…No secrets. Loving it.” Brenda echoed the call for earlier crisis diagnosis. “I wish they would have been more upfront two and half years ago! Alex is really the one who named it a crisis or named it as a problem. Those other jokers (previous leaders) weren’t worried.”

Conveying urgency is simple enough as a CEO, but containing panicked responses can be difficult ground to navigate. As previously illustrated, different individuals engage varying methods of sensemaking to understand crisis, so it is imperative that leaders anticipate and proactively combat the inherent alarm employees feel when urgency is communicated. Employees, through their recanting of the financial crisis experience, suggested clearly defined and communicated goals to be the best pre-emptive strike against welling employee concerns. Participants agreed Alex strategically introduced the crisis but followed it directly with her plan to remove them from it.

Dissemination of Responsibility in Crisis Communication

Keeping with the fire metaphor employed earlier, declaring organizational crisis to an entire company without offering potential paths for remediation is much like revealing a dangerous fire to a group of people who had no idea they were in danger of being burned. Instead, CEO Alex was careful about her announcement of Insure Co.'s declining financial situation. Though she was straightforward in addressing employees, she offered hope in the form of a plan to focus on ten key business areas. She was adamant that if the company focused all of their efforts on the pre-selected business issues, Insure Co. would not only remove itself from a multi-million-dollar deficit, but would also reclaim a position of profitability. "She was honest and said 'okay guys, things are not good', but she didn't stop there. She told us what to do. She told us how we were going to fix it."

Perhaps the most effective piece of Alex's initial crisis address to employees at their first (now quarterly) State of the Company meeting, was not only her emphasis on an existing plan, but her insistence that every single employee is responsible for helping it come to fruition, regardless of department, position, tenure, or experience. "She has told us what her goals are. Any time she had a change in her goals, she made sure we knew about it. Not only did we know about it, but we're involved in correcting it. There isn't a little meeting going on in another room, and we're waiting to see what's gonna happen. We're going to see what's going to happen because we're going to be in the midst of it all." This experience was echoed by individuals in other departments as well. "We were basically told, 'everything you do from this point on should be in coordination with these goals. If you're doing something and you don't see how it aligns with these goals, you should ask your leader how it does." Alex transferred responsibility to each employee in regard to extricating Insure Co. from its financial crisis. Participants described increased knowledge of the individual's responsibility to corporate goals. Though she may has revealed a dangerous fire, she equipped employees with their own extinguishers.

When asked how the company had changed throughout this struggle, Hank described the dissemination of accountability for goal progress: "Those huge, audacious goals had been put forth by senior leadership of this organization and were kind of cascaded down through vice presidents, directors, managers, supervisors, and now the employees". The key piece in the delivery of information is explaining to employees how their everyday actions have the potential to impact the company in a way that could save them from bankruptcy.

From these shared experiences it is clear employees rely on organizational leaders to create and share information during times of crisis. Board members, managers, and CEOs were looked upon to guide their employees through this difficult time, making their communication all the more important. I will elaborate on the implications this poses for understanding communication during internal crisis in Chapter 6, looking specifically and adapting Jin and Liu's (2010) Social Mediated Crisis Communication Model to explain this phenomenon.

Identity, sensemaking, and internal communicative processes are intricately woven during times of crisis. Understanding the qualities a company exudes and the factors that make it unique influence the ways in which employees come to understand their situation during financial crisis. For example, if a huge piece of a company's identity lies in resilience and overcoming obstacles, processing crisis may be less stressful for employees. Additionally, the ways in which crisis is communicated may also influence employees/ sensemaking methods. Insure Co. employees who did not feel they had access to information made sense of their situation through gossip, while employees who felt their questions were welcome made sense through more constructive methods, such as deriving purpose. Each of these factors influences the others, making the development of a model that encompasses these factors ideal for explaining communicative processes during crisis.

CHAPTER 5: IMPLICATIONS

I will begin this chapter by discussing the findings and the implications they pose for internal organizational communication during financial crises. I will then propose a potential model, based on the previously developed Social Mediated Communication Crisis Model (Jin & Liu, 2010) that would instead be targeted at explaining communicative processes within an organization during times of crisis. Next, I will highlight future directions for research in the area of internal organizational communicative processes during crisis. Finally, I will conclude by describing the limitations of the study.

Identity During Crisis

One important contribution of the study was that while there were clear shifts in central, enduring, and distinguishing qualities to the organization during the financial crisis at Insure Co., employees were slow to identify their roles in facilitating the change. Instead, they described the changes as results of leaderships' actions in response to crisis. This is somewhat surprising when considering the co-constructed nature of organizational identity as posed by Scott and Lane (2000). Participants commonly shifted the responsibility of organizational identity maintenance to leadership, especially when describing the change in focus for the organization. While the participants described how the change has influenced organizational goals and day-to-day activities, they consistently referred back to the changes made by leadership as the catalysts rather than recognizing their own roles in the shifting identity of Insure Co. This is important because it gives even more weight to the communication of leadership during times of crisis. If employees believe leaders are responsible for fostering all changes, the rationale and plans for those changes need to be clearly communicated to subordinate employees.

Making Sense of Crisis

Because crisis is unanticipated by its very nature, employees are left scrambling to understand their situation and engage varying methods to assign meaning. The methods derived from the data were gossip, metaphor, blame-shifting, denial/minimization, and deriving of purpose. These categories reveal a number of things about the employee experience during crisis. The participation in gossip highlights that when employees are not satisfied with the communication they receive from management, they are willing to turn to unofficial channels of information in order to understand their situation, regardless of how credible or accurate those channels are. The rumors employees disclosed during interviews were exclusively negative, pointing to the idea that engaging in organizational gossip helps employees prepare for the worst. As previously noted, gossip, or watercooler talk can be a helpful mechanism of communication within an organization (Waring & Bishop, 2010), and in this case appears to be a sensemaking tactic to lessen the blow of unpleasant news.

Next, the use of metaphor was an interesting method of sensemaking, as well. Crisis throws many employees into uncharted territory. In an effort to come to terms with their situation, employees revert back to familiar scenarios or to clichés to draw similarities between situations that are familiar and situations that are not. This poses a lot of practical implications. Leaders of organizations, with this knowledge, would be able to select a favorable metaphor and use it to facilitate understanding and change. Not only would it give management more control of the situation, but also aid employees in finding their footing in the shifting nature of a company in crisis.

Blame-shifting tactics were employed to effectively remove the burden of change or guilt by transferring responsibility to other entities (individuals, departments, acquired companies).

While this finding is not entirely surprising, it does reveal that blame-shifting, while normally studied in the context of entire organizations shifting blame, also happens within organizations in crisis, on a much more microscopic level. Perhaps this speaks to the private nature of the crisis as well. Insure Co. could not publicly identify the cause of its financial difficulty because it did not want to alert external stakeholders of its situation, therefore, to make sense, employees pointed fingers at the only people they could: each other.

While denial and minimization were not surprising sensemaking findings, deriving purpose from crisis is potentially the most important method of sensemaking uncovered through this research. Obviously the most ideal response, finding purpose in work during crisis allows employees to not only grasp their scenario, but also aids in powering the organization through the difficult time. Things like gossip and blame-shifting do little to propel an organization, but a sense of purpose and belonging can contribute to myriad of positive outcomes, as outlined earlier. Practitioners should be focused on attempting to solicit this type of response from employees as its outcomes are most beneficial.

Effectively Disseminating Information During Crisis

Because organizational crisis is not rare, the concept has received a fair amount of attention in research. From customer service mishaps that become viral social media phenomena, to corporate social responsibility campaign disasters, scholars and practitioners alike have sought to understand appropriate communication tactics throughout all three stages of crisis. Because crisis is often a public matter, much of the research conducted seeks to understand how to engage the public during difficult times or what types of messages will help restore organizational image.

Perhaps one of the most relevant advances in understanding modern crisis communication was the introduction of the Social Mediated Crisis Communication Model (Jin & Liu, 2010). This model poses that in any crisis, there are multiple audiences that exist in the social media sphere. First, there are influentials. These individuals develop information for others to access and engage with. The second type of audience members are known as followers. Followers, as their title suggests, follow and consume the information that is generated by influentials. Finally, inactive members do not seek information from social media influentials, and opt instead, to procure information from other sources, or are exposed to social media information indirectly. Also within this model is the organization itself, including all of the factors that make its crisis and response unique. These concepts are linked together through direct and indirect relationships that ultimately describe how information is disseminated during times of crisis, and by extension, provides insight on how best to reach specific audiences.

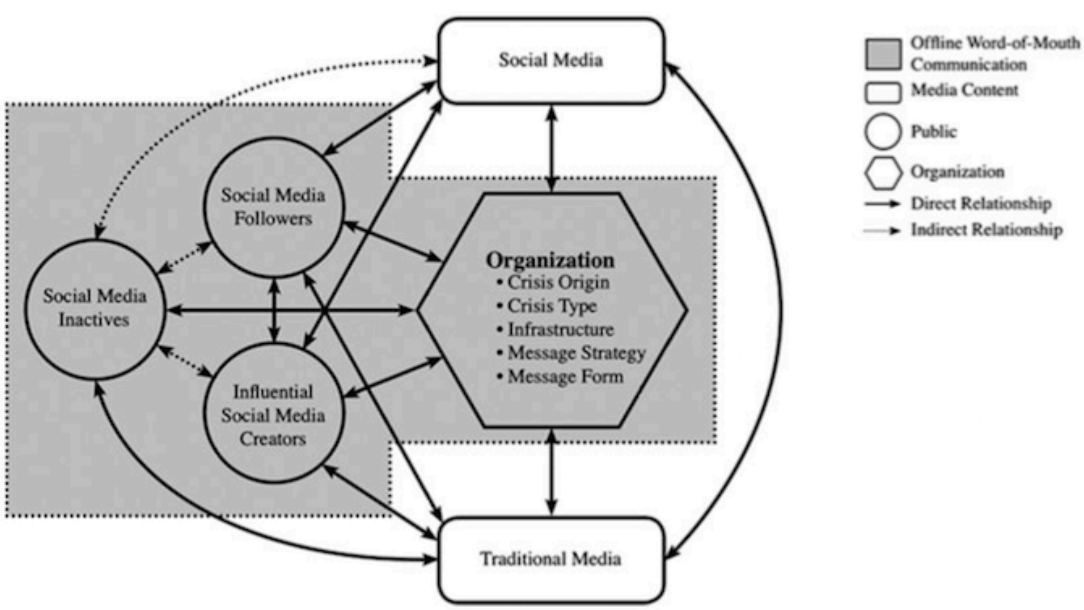

Figure 1: Social Mediated Crisis Communication Model (Jin & Liu, 2010)

However, it is important to recognize not all crises reach the point of public awareness. Countless companies have quelled the fires of crisis long before the public caught whiffs of smoke. In those cases, the only stakeholders with any information regarding the crisis are ones situated within the organization. This leaves the extremely important question of how to best reach and disseminate information to internal stakeholders. Social media would prove a useless channel for employees to communicate about their organization's situation, as discussing these business matters in a public fashion would likely violate company policy and result in penalty or termination. Regardless of the fact that Insure Co.'s crisis was hidden from the public, much of the basis of the Social Mediated Crisis Communication Model remains relevant, based on the findings of this study. If one removes the public nature of the situation, it is still possible to see how influentials, followers, and inactive members both exist and communicate within the organization during financial crisis.

Influentials, the audience that creates information for others to access and digest, can be found internally when examining organizational leadership. CEOs, board members, and departmental leaders are tasked with roles as developers and gatekeepers of information during instances of private crisis. As many employees mentioned, previous CEOs opted to withhold negative information, focusing their communication efforts on positive sentiments, instead. The content they created or approved for creation, centered on minimization of the financial situation. Conversely, the most recent CEO, Alex, took a position of transparency. With internal crises, the model requires some alteration. Because all audiences involved are members of the organization, the message strategy and message form become the responsibility of the influentials. Other factors that reportedly impacted the communication of influentials were message timing, and message frequency. In the case of Insure Co., the message strategies were transparency and integration.

These messages took several forms, including all-inclusive company meetings, corporate emails, and new organizational culture initiatives. One participant highlighted how the CEOs communication was effective during the turbulent time of crisis and may not have been as successful in other contexts. Employees also emphasized the consistent nature of message distribution through scheduled quarterly meetings.

While influentials created this information surrounding Insure Co.'s crisis, many employees described being members of the follower audience. These individuals explained how they consistently sought crisis information from superiors and corporate communications. Generally, they responded well to the transparent approach of the CEO, welcoming honest news, regardless of the negative nature of the information. There seemed to be a lot of emphasis on the degree to which followers in this internal crisis communication model believed they had access to information. Employees who felt they were well-informed largely reported satisfaction with communication tactics of influentials. The ability to access information was also seen as a symbol of worth, in that employees who believed they were informed also believed they were valuable. Even if participants did not have crisis-related questions, they noted comfort in knowing they had a point of contact, should any concerns arise.

Lastly, as with the Social Mediated Crisis Communication Model, inactive members were present in internal crisis communication. While inactive members in the previous model chose not to seek information from social media, several Insure Co. employees reported an inability or low desire to seek information from the company's official channels of crisis communication. After being denied information several times, a number of participants described their hesitance to continue pursuing information from approved sources. Perhaps this could help explain the rampant generation of rumors surrounding Insure Co.'s financial situation and independent viability.

Employees who were denied information from influentials turned instead to other channels of communication to seek information. In these instances, they were occasionally indirectly exposed to the information influentials generated, as other employees shared the messages they received from their superiors. Gossip was not the only form of inactivity. Rather than engage with and follow the information being produced by influentials, a group of employees chose to disregard the material and exit the organization.

The information collected in these interviews points to the idea that disseminating information to audiences involved during a private, internal organizational crisis mirrors the principles outlined by those of the Social Mediated Crisis Communication Model but differs in terms of the concepts that compose and influence each audience. Once the social media context is removed, the three major audiences, influentials, followers, and inactives remain present, serving roughly the same functions. The organization component still exists, but because all audiences now operate within the organization, the responsibility of message strategy and form falls to the influentials. Followers expressed varying levels of satisfaction with their perceived ability to access information. Inactive members were exposed to influentials information through unofficial channels, such as gossip. The revised model for internal crisis communication replaces social media and traditional media with official and unofficial channels of corporate communication.

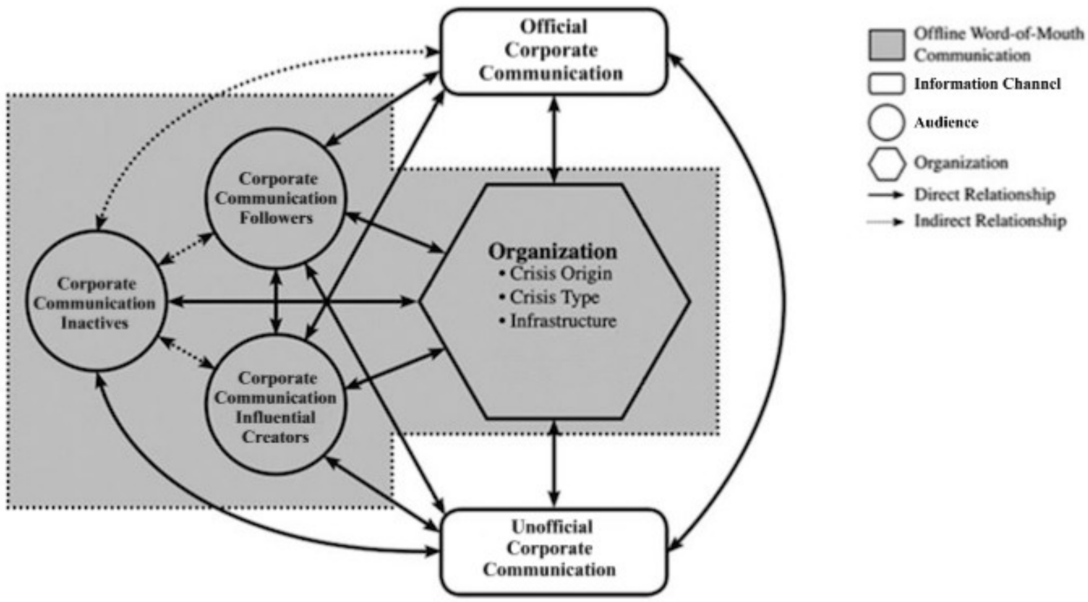

Figure 2: Adapted Internal Crisis Communication Model

The major purpose of the original Social Mediated Crisis Communication Model was to provide an understanding of how information was created and disseminated during organizational crises to aid in targeting specific publics. While the direct and indirect relationships between concepts requires further investigation in this proposed model, it provides a starting point for researchers and practitioners to target specific groups during periods of internal organizational crisis. With further study, the relationships between various employee groups, types of communication, and the organization itself will become clearer. This advancement could allow for more effective message formulation and distribution to internal stakeholders experiencing crisis, in turn influencing responses to identity shifts and sensemaking practices.

Practical Implications

While the study proposed a potential model for understanding internal crisis communication, it also provided a great deal of practical implications. The overarching concept practitioners should retain is that employees desire much of the same treatment as external stakeholders during times of crisis. Insure Co.'s CEO was praised time and time again for her degree of transparency with employees. Employees feel as though they have a right to information and use their access to it to assess their position in the company. However, as previously mentioned, simply being open about internal crisis is not enough to quell employee concerns. If possible, plans of action should be devised before a state of crisis is presented to employees. Practitioners should carefully plan the disclosure of crisis so as to insinuate a sense of urgency without inciting mass panic. While this is possible with financial crisis, other types of crisis, such as violence or natural disaster may not provide a context for this practice.

Employees also reported general satisfaction with the message form of simultaneous notification. Instead of letting all information be cascaded down slowly through leaders, Insure Co.'s CEO held a state of the company address in which she admitted the abysmal financial status of the organization. The mass distribution of the information was the first step toward making each employee feel as though their actions were part of a collective effort to extricate the organization from crisis, a concept she compounded on by explaining how each employee was responsible for helping Insure Co. improve its position. In essence, her communicative medium matched her message, rallying employees as a team with a common goal.

The proposed model also suggests that as influentials, leaders hold a great deal power in their communication during crisis. The ways in which employees come to understand crisis and their role in it is largely based off of the ways it is introduced to them and the degree to which they have access to information regarding it. This does not require total transparency. Empowering employees through crisis means making them believe they are informed or that they have a source to consult when they feel they are not.

Limitations & Future Directions

Limitations

There were several limitations involved in this research in both method and theory. First, I possess professional ties to the organization that was studied. This relationship with the company has the potential to foster bias in research and findings, as I may let previous experiences influence my perception of employee responses. This bias was recognized and disclosed early in the study in an attempt to minimize its effects. Several participants were previous colleagues. This pre-existing relationship may have influenced the nature of information shared. As previously mentioned, the lower number of interviews is justified by Wolcott's (1994) concept of comparative analysis to the count of one, meaning even a single properly conducted interview can yield rich data for study. While rich data was collected, a greater number of interviews could have shed more light on the Insure Co. case, and longer interview lengths could have contributed to more robust data collection as well, particularly in regard to the first research question. Perhaps, if time had not been as limited, I would have been able to develop stronger relationships with participants and really dig into their roles in organizational identity management throughout the crisis period. Finally, this data was collected in an organization that experienced financial crisis, a type of crisis which is often predictable. It is unclear whether these same principles apply when examining more sudden, destructive crises, such as severe weather or acts of workplace violence.

In regard to theory, while the three-stage approach to crisis was acknowledged, interviews were conducted as the company moved from the crisis phase to the post-crisis phase. To capture all three phases, a longitudinal study would be required, but due to time constraints, this method was not employed. Accounts of pre-crisis and early crisis phases were retrospective in nature, which provides room for error or memory failure on the part of participants, especially considering the crisis took place over nearly a four-year period.

Future Directions

While this study provided a deeper look the employee experience during crisis and posed potential explanations for identity negotiation, sensemaking, and crisis communication, much research lies ahead before the proposed Internal Crisis Communication Model will be effective in targeting specific groups during crisis. The first major concept that requires further research is understanding how sensemaking practices and crisis employee types (maverick, fighter, adapter, victim (Langley et al., 2012)) interact with one another. For example do mavericks always fall into the category of followers? Can an employee be both a victim and an influential? Perhaps a person in a management position that is tasked with creating content has already shut down and began planning their exit. How does that influence the communication they create and disseminate? There is clear potential to define roles within roles through future research.

Understanding how different types of employees make sense during crisis would also provide management the tools to expedite and positively influence sensemaking processes, a luxury during chaotic times. For example, if organizational leaders know adapters assign meaning to crisis by deriving purpose from their work, they can streamline that process by providing a thorough overview of each department's contributions to overcoming the daunting situation at hand. Recognizing employees in the victim category would save time and resources that may otherwise be expended as leaders attempt to communicate with individuals who have already decided to leave. While some sensitive information cannot be disseminated, understanding the maverick group's desire for access would be a useful step forward in providing employees accessible points of contact for questions and concerns. Finally, identifying and eliminating fighters may streamline planned organizational changes, as one participant suggested.

Another interesting future direction lies in uncovering the function of organizational identification. While employees were reluctant to disclose their own roles in renegotiating identity, they were full of comments regarding the degree to which changes at Insure Co. aligned with their personal identities and preferences. Further research should investigate whether organizational identification during crisis exists as a process to be facilitated or a product to be gained, as many scholars have evaluated this dual nature previously (Ashforth and Mael, 1989; Dutton, Dukerich, and Harquail, 1994; Glynn, 1998; Kuhn & Nelson, 2002), but not in the context of crisis. Crisis leaves a lasting impact on an organization and its employees, financially, and communicatively. This research appears to suggest organizational identity is somewhat of an outcome variable, as crisis left marks on employees who did not feel involved in the remediation processes, but rather as they were handed a series of changes and told to deal with them. Future research could help shed light on the nature of organizational identification.

The proposed Internal Crisis Communication Model requires further research to support or revise the relationships posed between the organization, influentials, followers, inactives, and corporate communication channels, both official and unofficial. Future research should examine each of these relationships more closely, looking specifically at how crisis information is relayed between audiences using various methods of communication. How does gossip, or unofficial corporate communication, influence inactives' procurement of information? How can official corporate communication, while not directly consumed by inactives, be effectively tweaked to appeal to the disinterested audience? Understanding how all of these factors impact crisis communication within an organization could ultimately provide a greater knowledge of the communicative processes involved in crisis and also provide practical solutions to reaching, satisfying, and retaining employees experiencing crisis.

Conclusion

Organizational crisis is unavoidable. Thousands, if not millions, of factors influence business practices every day, from severe weather, to organizational structure. Not all variables can be controlled and accounted for. For this reason, understanding how employees help renegotiate organizational identity and make sense of their situation during times of crisis provides greater insight for communicating intended messages during these turbulent periods. Practitioners should take be sure to match their communication channels with their intended messages and be aware of the various channels through which corporate information flows. Future research would help identify the specific relationships between various groups of employees, the information they create and circulate, and the organization itself.

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APPENDIX

Interview Guide

RQ1: How do employees make sense of financial crisis?

RQ2: How do employees in a company experiencing financial crisis renegotiate organizational identity?

RQ3: How can the Social Mediated Crisis Communication Model be adapted to explain communication dissemination within an organization during crisis?

How long have you been at HAP?

What do you do here?

Tell me about your time here.
Probe.

Tell me about the company.
Who is HAP?
What does the company stand for?
Probe.

What are some qualities HAP has always had?

If HAP were a person, what would he or she be like?

What makes HAP different from similar companies?
How is it unique?

What characteristics are at the core of HAP?

Tell me a little more about the last three years here.
Probe.
(If no financial crisis is mentioned, bring it up)

Tell me what things were like before the Medicare star drop.
Were they different than they are now?
How?

How did people react to the changes?

Was it hard to adjust?
Tell me about it.
What did you do?
What did others do?

How did employees work through these obstacles together? Separately?

How were you notified about the financial state of the company?
If you heard before management announced it, how did you find out?

How did people react to the news?
Confusion? Anger? Optimism?
What kinds of things were said?
Why do you think employees acted this way?

How do you feel management did in their task of informing employees?
Why do you think they chose to do it this way?

Are there things they could have done better?
What?
What would be your ideal way to be notified?

What different roles did people play during this difficult time?

After they announced the situation, what kinds of steps did you see them take to combat it?
How did you feel about the changes?
How do you think employees overall felt about their actions?

Is this the way you expected a company like HAP to operate?
Why?

How often were you updated on the company's status?
Was this enough, too much, just right?

How motivated did you feel to participate in these changes?
Why?

Do you think decisions made by upper management contributed to the outcomes of the issue?
Why or why not?

If you had to sum their approach up into one word, what would it be?
Why?
Was this appropriate?

Could they have done better?
How?

How do you feel about the future of HAP overall?
How about your future here?

What were the major challenges HAP faced during this time?
What were the victories you saw?
The shortcomings?

What is different about HAP now as opposed to before the financial issues?
Does it still stand for the same things?

Is there anything that happened during this time that I am missing?
Are there other questions I should be asking?

Thank you for your time and input.