



Sense-Making and Enactment: The Next Frontier in Driving Economic Growth, Productivity and Innovation

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***Abstract:** In today's complex and dynamic economy, sense-making and enactment have emerged as crucial factors in driving economic growth, productivity and innovation. By navigating uncertainty and creating meaning, individuals and organizations can unlock new opportunities and foster sustainable development. This paper explores the interplay between sense-making and enactment and economic performance, and argues that adopting a sense making approach can lead to improved productivity, innovation and economic growth. We draw on the empirical reviews and literatures from management, economics and psychology to shed light on the processes involved.*

***Keywords:** Sense-making, economic growth, productivity, innovation.*

INTRODUCTION

Sense-making refers to the process of creating meaning and understanding in complex, uncertain or ambiguous situations. It involves interpreting and making sense of information, experiences and events to inform decision-making and actions. Sense-making is the ability or an attempt to make or draw meaning out of an ambiguous situation or statement. Sense-making is the process of creating situational awareness and understanding in situations of high complexity and uncertainty to make decisions. It is a motivated continuous effort to understand connection, arising, people, groups, places etc to understand and anticipate their actions and act effectively. Sense making is an abstraction that can be obtain or assumed from dreams, memories, plans, ambitions, stories, pretenses that can both transcend time and last beyond specific monarch than expected.

According to Dave Swoden (2008), he defines sense-making as how to make sense of the world so we can act in it. This definition carries with it the concept of sufficiency knowing enough to make a contextually appropriate decision. Thus it brings the complexity of scarce and narrative meaning into sense-making as a discipline. Sense-making can be in three different dimensions; organization, communication and complexity. In the presentation of information in such a way that people can read meaning to it or consume it effectively it is the key challenge that needs to be met if analyzing the information to deduce the meaning and use it as it is presented for concrete action. Human being may have limit in their ability to consume and understand information and message spoken by someone (data). Sense making and its enactment is growing exponentially and thus advancing technology who decode such information to make sense.

Prior to this time, mainframe computers were used, and very large until the laptop, tablets and phones. Such keys then do not make sense, but just like the message and information

given which may not make meaning for action to be taken. Today, sense-making has driven us into the use of more high-tech machines globally. Storing information, such limits our innate human ability and sensory and cognitive faculties to process this information. Human beings have evolved to become highly effective at perceiving certain types of patterns with their senses, but still continues to face significant constraint in their ability to process data information to make sense out of it for action. Visualizing and thinking deeply into information led to the techniques and technologies used in creating images, diagrams, and animations to communicate, understand and improve in hearing and making sense today. Visual sense making helps in a way in solving the human problems of sense making and enactment in the society.

Frontiers of Economic Development

Sense-making can be seen as a frontier for economic development because it enables individuals, organizations and societies to navigate complex economic systems identify opportunities and create value. Effective sense-making can lead to better decision-making, innovation and adaptation, which are essential for economic growth and development.

Sense-making is the process through which people work to understand issues or wants that are novel, ambiguous, confusing or in some ways violate expectations. As an activity that seems to be central to organizing, it has been a subject of research which has grown to be an important topic in organizations. This is to say that organization members encounter ambiguity or uncertainty. Thus, they seek to clarify what is going on by extracting and interpreting to know the meaning from their environment, using these as the basis for providing order and making sense of what has occurred and through which they continue to enact the environment. (Brown 2000, Mathis 2005, Weck 1995, Weick *et al* 2005).

Sense-making goes beyond interpretation and involves the active anchoring of events and frameworks for understanding as people play a role in constructing the very situations that they attempt to comprehend (Sutcliffe, 2013, Weick, 1995, Weick *et al* 2005). Organizational life is full of moments of ambiguity and uncertainty and the notion of sense making has gained widespread traction not only in organizational behaviour but also related Literatures such as organization communication (Christensen & Cornelissen, 2011, Taylor & Van Every 2000).

The root of sense-making in the organizational literature is traced back to the beginning of the twentieth Century (Dewey 1922, James 1890). But sense-making did not begin to emerge as a distinct topic until the late 1960s (Garfinkel 1967, Weick 1969). Sense making was introduced by Scholars into Literature who study how meaning is constructed and transmitted. Garfinkel (1967) used the term "Sense Making" in his introduction of ethno methodology as a way of studying the everyday practices of actors as they interact and interpret and account for their experiences of reality. Polanyi (1967) also used such terms as "sense giving" and "sense reading" to describe how people endow speech with meaning and make sense of speech.

The depth and breadth of the sense making literature poses definitional problems/challenges. The idea of sense-making has pervaded most organizational literature, depending on how it is used and applied. Sense-making is often invoked as a general notion without an associated definition, giving different meanings to it by scholars. These definitional differences reveal important underlying ontological assumptions about what sense-making involves. One key difference seems to be whether it is within or between individuals. Some definitions framed sense-making as a cognitive process, focused on appraisal and interpretations or mental

models. Therefore, it has such aspects like comprehending, understanding, explaining, attributing, extrapolating and predicting (Tarbuck and Milliken (1988)).

Hill and Levenhagen (1995) described sense-making in terms of how people “develop a vision or mental model of how the environment works”. Louis (1980) Sense making can be viewed as a recurring cycle comprised of a sequence of events occurring over time. The cycle begins as the individual forms unconscious and conscious anticipation and assumptions which serves as prediction about future events. Gephart (1988) -Sense-making has been defined as the discursive process of constructing and interpreting the social world. Weick (1995) -Sense-making is understood as a process that is: (a) Grounded in identity construction, (b) Retrospective, (c) Enactive of sensible environments, (d) Social, (e) Ongoing, (f) Focused, (g) Driven by plausibility rather than accuracy. Weick, (1995) in his work on sense making is classic to organizations, focuses on how individual and organizations make sense of their environment and how this sense making process influences decision making and actions.

Taylor and Van Every (2000). Sense-making is a way station on the road to a consensually constructed, coordinated system of actions, Balogun and Johnson (2004). Sense-making is a conversational and narrative process through which people create and maintain an inter-subjective world. (Brown 2000, Gephart 1993, 1997, Watson & Bargiela-Chiappini,1998). Dervin (2003). The sense-making journey conceptualized the framework for understanding human communication; positing that a comprehensive framework for understanding human communication and the sense-making process is necessary and ideal for organizational growth. Bordereau (2017) provides a conceptual framework for understanding how sense-making shapes economic development and growth.

Empirically, sense-making and economic development, Ahmed et al, (2020) in a systematic review analyses existing literature on sense-making and economic development, highlighting key themes and areas for future research. “The role of Sense-making in Entrepreneurial Decision Making” by Mitchell *et al*, (2014) investigates how entrepreneurs use sense-making to navigate uncertainty and make strategic decisions. While according to the work of Dougherty *et al* (2015), examine how sense-making influences innovation and adaptation in high-tech industries.

Economic growth and Productivity

According to Porter (1990), “national prosperity is created, and not inherited. It does not grow out of a country’s natural endowments, its labour pool, its interest rates, or its currency’ value as classical economic insist.” Nation competitiveness depends on the capacity of its industry to innovate and upgrade. Organizations gain an advantage against the world's best competitors because of pressures and challenges. They benefit from having strong domestic rivals, aggregate home-based suppliers and demanding local customers. He further asserts that “organizations are prepared to sacrifice the easy lives for difficult and ultimately, sustained competitive advantage, that must be the goal for both nations and organizations: not just surviving but achieving international competitiveness”, not once but continuously. Solow (1957) posit that” in this day of rationally designed econometrics studies and super input-output tables, that it takes something more than the usual” willing suspension of disbelief” to talk seriously of aggregate production. Naturally, every piece of information has a price. Thus, sense-making looking at the situation is important for national economic growth and sustainability.

Innovation and Entrepreneurship

Schumpeter (1942) posits that exploring the role of entrepreneurship in economic evolution, and question whether capitalism can survive the rise of socialism. In other words, when organizations or nations sense the opportunities in their environment lives are improved and people and nations survive competitively and economically.

Drucker (1984), states that innovation is the task of endowing human and material resources with new and greater wealth-producing capacity. "That the large organization has to learn to innovate or it will not survive." Thus, managers of business organization must "convert society's needs into opportunities for profitable business."

Sense-making is applied to the different contexts of ecological, or market sense etc. others are to nature – Intercultural, Interpersonal sense-making. Some of these are:

1. **Sense going:** Attempting to influence the sense-making and meaning construction of others towards a preferred redefinition of organizational reality. (Gioia & Chittipeddi, 1991).
2. **Cultural sense-making:** "How entrepreneurs or communities make sense of venture failures (Cardon, Stevens & Potter 2011).
3. **Environmental sense-making:** "Actors make sense not only of the event itself, but of the broader organizational field" (Nigam & Ocasio 2010).
4. **Intercultural sense-making:** "The process involving the solution of the scripts that reflect individual's cultural values and cultural history". (Fisher & Hutchings 2013).
5. **Resourceful sense-making:** "The ability to appreciate the perspectives of others and use this understanding to enact horizon-expanding discourse". (Wright, Manning, Farmer & Gilbreath 2000).

CONCLUSION

The study of sense-making has a considerable impact to organization and individuals since Weick *et al* (2005) observation gave a modest account of the work on sense-making. Sense-making is a concept that needs proper understanding, making meaning to the information. Ordinarily, one would ask whether what you say makes any sense. However, scholars have researched widely and shown that sense-making is key to individuals and organizations.

Thus, power and politics in sense-making should be studied properly in organization as it is a process that needs interpretation and understanding. (Helms Mills, Tharlow & Mill 2010, Marshall & Rollinson, 2004). Also in ensuring that sense making is a discipline that will attract empirical work, the emotional process should be noted. Sense-making as an emotional process describes Sense as constructed in language and shared through narrative sources.

Attention should be given to emotional qualities of sense-making which at best reduces emotion when an unexpected interruption occurs and is often seen as an impediment to sense-making. Developing a model of the role of individual emotion in the sense-making process, showing how negative and moderate intense felt emotion signal the need for and provide the energy of sense-making in organizations. Sense-making is a concept that exists in every organization that is important to today's global attention and improvement in propelling technological advancement.

RECOMMENDATIONS

These are some suggestions and recommendations on sense-making and enactment as the next frontiers in driving economic growth, productivity and innovation:

1. **Encourage experimentation and learning:** Foster a culture that encourages experimentation, learning from failure, and continuous improvement.
2. **Develop sense-making capabilities:** Invest in training and development programs that enhance individuals' and teams' sense-making capabilities.
3. **Foster collaboration and knowledge sharing:** Encourage collaboration and knowledge sharing across functions, departments and organizations to facilitate enactment.
4. **Embrace complexity and uncertainty:** Recognize and embrace complexity and uncertainty as opportunities for growth and innovation.
5. **Focus on meaning-making:** Shift from a sole focus on data analysis to also emphasize meaning-making and interpretation.
6. **Cultivate entrepreneurial mindset:** Encourage an entrepreneurial mindset that embraces uncertainty, experimentation and learning.
7. **Support innovation ecosystems:** Foster innovation ecosystems that bring together diverse stakeholders to co-create and enact new ideas.
8. **Prioritize human capital:** Invest in human capital development, recognizing that people are the primary drivers of sense-making and enactment.
9. **Encourage storytelling and narrative:** Use storytelling and narrative to convey meaning, purpose and vision.
10. **Emphasize ethical considerations:** Consider ethical implications and ensure that sense-making and enactments align with organizational values and societal responsibilities.
11. **Leverage technology:** Utilize advanced technologies like AI and data analytics to support sense-making and enactment.
12. **Foster continuous reflection:** Encourage continuous reflection and self-awareness to improve sense-making and enactment capabilities.

These recommendations can help organizations and individuals harness the power of sense-making and enactment to drive economic growth, productivity and innovation.

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