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# **DYNAMIC, ENACTED INSTITUTIONS: Making Sense of Institutional Context in Public and Private Prisons**

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# **Dynamic, enacted institutions: making sense of institutional context in public and private prisons<sup>1</sup>.**

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## **ABSTRACT**

This paper contrasts the manner in which managers in public and private sector prison establishments in the Prison Service in England and Wales (PSEW) draw upon organisational context to make sense of organisational events, and how in doing so they make sense of, and with, the institutional context in which they are embedded.

The paper uses notions related to New Public Management and institutional perspectives to delineate the nature and extent of the organisational context and to facilitate discussion of the two case studies, one of a privately managed, and one of a publicly managed, prison. In parallel it considers work on enactment, organising and sensemaking to theorise about the manner in which managers enact and re-enact the organisational and institutional context in which they are embedded.

The paper argues that the prominence of the institutional context in the sensemaking activities of managers and their interpretation and enactment of this institutional context suggests a dynamic relationship between institutional context and sensemaking. This relationship has three distinctive characteristics which interact to provide a negotiated institutional context: priming by the local situational context, structures of connection from the macro context, and the search for plausibility.

In this way it contributes to the debate regarding the interface between institutional perspectives and sensemaking/enactment.

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## INTRODUCTION

This paper will contribute to the debate regarding the interface between institutional perspectives and sensemaking/enactment approaches through a conceptual consideration and empirical description of managerial explanations of change events with the specific context of private and public sector prison establishments. This paper contrasts the manner in which managers in two separate sites (a public and private sector<sup>2</sup> prison establishment) in one organisation (the Prison Service in England and Wales (PSEW) draw upon organisational context to make sense of operational change, consequently how they make sense of the institutional context in which they are embedded. Many scholars argue that the two conceptual frames considered together here – institutional perspectives and sensemaking/enactment approaches – are irreconcilable at worst or, at best underexplored (Westwood and Clegg 2003; Weber and Glynn 2006).

Using the contemporary environment of the PSEW gives an opportunity to explore the influence on organising of the arms-length managerial arrangements that are typical of organisations affected by New Public Management (NPM) approaches where the concern is the type of relationship between the ‘centre’ (political control/policy) and the outposts (administrative control/operations). NPM applied in the PSEW has been described as a managerialist bargain (Hood and Lodge 2006) which offered politicians clearer control of prison performance by introducing designated performance targets whilst enabling managers to have greater autonomy and responsibility in order to attain such targets (Osborne and Gaebler 1992; Lane 2000; Boin, James and Lodge 2006). The introduction of NPM has instigated far reaching changes in the structure and organisation of the PSEW and yet, there has been little systematic analysis of the impact of NPM forms between public and private management of the same or similar services in particular sectors (Boin, James and Lodge 2006).

The PSEW has experienced the full effects of the NPM agenda in that it has been an arms-length government agency since 1992, and in the same year the first contracted out, privately managed prison opened. Today, all prisons in England and Wales operate under quasi-contractual performance agreements (three operate at the extreme commercial end of this, being operated by the Prison Service under a commercially let Service Level Agreement), 10% of the prison population is held in the 11 privately managed prisons (the first one opening in 1992) (Prison Service 2006; NOMS 2006) and a significant number of prison services (catering, education, healthcare, maintenance) are run by external contractors. The Criminal Justice Act 1991 enabled contracted prisons to be established, initially for remand prisoners only, and then from 1994 for all prisoners. Some contracts are ‘operate only’, and others as design, construct, manage and finance (DCMF) contracts. Performance data is published for each prison annually, with the

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<sup>2</sup> For this article, a ‘public’ prison is one that is wholly within the hierarchical structure of the Prison Service Agency, with managerial and operational staff employed directly by the Prison Service Agency, and thus, through the line to the UK government’s Home Office. Within these organisations there may be elements of private contracting e.g. catering, education, healthcare. A ‘Private’ or contracted prison is one whose staff (including managerial and operational) are entirely employed by an intermediate company which has the responsibility defined in a contract to manage and operate the Prison. In these Prisons a senior member of Home Office staff is permanently located as the ‘Controller’ who monitors and applies the contract. No such position exists in ‘public’ prisons, although these prisons have quasi-contractual relationships with the Prison Service Agency and are held accountable to performance targets. In the UK, these prisons are frequently referred to as ‘contracted out’ or ‘private’ prisons. This categorisation would be considered by prison managers to be a clumsy or colloquial one, but acts as convenient shorthand for the purposes of this paper.

private/contracted prisons data published separately from the rest of the Prison Service establishments. All prisons are subject to monitoring arrangements from the IMBs (Independent Monitoring Boards) and HMCIP (Her Majesty's Inspectorate of Prisons) who have unfettered access to prisons in order to monitor conditions and standards.

## **DESCRIPTIVE FRAMEWORK – ESTABLISHING CONTEXT**

The governance arrangements of the PSEW have been identified as representing a strong example of the manner in which the agency model in NPM has been applied to a public institution (Oliver 2001; Boin, James and Lodge 2006). In the UK, there are a number of individual agencies such as the PSEW which handle government activities on behalf of particular Ministries. While these agencies have some autonomy, they are restrained by a regulatory institutional framework to which the Chief Executives are held accountable for performance targets determined by government ministers (Oliver 2001). This structure is, arguably, a fundamental part of the 'managerialist bargain' of NPM, with day to day control being passed from politicians to officials (Boin, James and Lodge 2006; Hood and Lodge 2006). In the PSEW, the arrival of agency status changed the language around, and expectations about, the role of Prison Governing to encompass managerial terms, priorities, targets, principles and structures (Hood 1991; Rainer and Wilson 1997; Wilson and Bryans 1998), with an emphasis on the split between operations and policy, the centre (political control/policy) and its outposts (administrative control/operations). The agency arrangements, as an embodiment of the separation of policy from operations, have been contentious, particularly when the PSEW has been faced with crisis or incident (Woodcock 1994; Learmont 1995). The NPM rhetoric, and the reality of its translation into templates for behaviour (Scott, 2001) pervade the PSEW's current ethos and action (Wilson and Bryans 1998).

A key feature of the NPM model as applied to the PSEW is the competitive or market based structure. There are two aspects to this. Firstly, where certain services are contracted out to private organisations so for example, catering, prisoner escorting, facilities management, education and healthcare but in some cases this extends to full management of the prison so these are 'private' prisons, subject to contractual control. Secondly, the increase in contract-style agreements between 'public' prison governors and the centre based on performance targets and sanctions for non-performance, evidenced in the Prison Services' Performance Improvement Process.

For prison managers in the public prisons, the operational line of command runs from prison establishments to Area Managers to the Operations Director in Prison Service Headquarters (as part of NOMS HQ), and this is where responsibility lies for the day to day management of prison establishments. Alongside this complex formal line of command there are further controls on, or oversight of, the activities of prisons from government bodies, for example HM Inspectorate of Prisons, the Prisons and Probation Ombudsman, influential pressure groups and charities, the Parliamentary Ombudsman and the legal system (James and Hood 2004). The Independent Monitoring Board (IMB) has unfettered access to prison establishments monitoring the day-to-day standards ensuring that appropriate levels of care and decency are maintained.

In practice, in NPM terms, public and private prisons have strong similarities and all are responsible for delivering broadly similar custodial services. Both types of prison are buffered

from the centre by contractual or quasi-contractual controls with sanctions up to, and including, the removal of the prison from the operator. Both are firmly embedded in the regulatory framework of the Prison Service, and in institutional terms it is a very clearly defined field, with new entrants to the field allowable only through the contractual process, driven by central policy decisions. However, there are some differences which are definitive of the context in which managers operate. In private prisons, there is a formal written contract with punitive financial and control sanctions for non-performance, up to and including Rectification Notices, which if not addressed can lead to the return of the prison to public control. In public prisons there are contract style agreements between governors and area managers based on agreed performance targets and failing prisons could be removed from public control and offered for competitive tender from private companies. In practice, to date, no prison has been removed from the control of the operator. Additionally however, those prisons that are operated under contractual arrangements are monitored by the Home Office (now Ministry of Justice) Controller on site. This relationship is not a managerial, but a contractual monitoring one. All prisons are thus responsible for delivering broadly similar services, and sit within the broader organisational context the PSEW. However, there are some governance differences between public and private prisons in the nature of the relationship of the prison with the centre, and internal policy differences which affect the way in which staff are presented (uniforms) and managed (relationship with a 'company').

## **CONCEPTUAL FRAMEWORK – ESTABLISHING THEORETICAL FRAMEWORK**

Many authors have called for a deeper theoretical understanding of how the contextual pressures on an organisation are interpreted and acted upon by organisational members or actors (Hrebiniak and Joyce 1985, Astley and Van de Ven 1983, Van de Ven & Poole 1988, Pettigrew 1987, Wilson 1984 and Fitzgerald, Ferlie, Wood & Hawkins 2002). This paper uses notions related to New Public Management and institutional perspectives to delineate the nature and extent of the organisational context of the PSEW, and in parallel considers work on enactment, organising and sensemaking to theorise about the manner in which managers enact and re-enact the organisational and institutional context in which they are embedded. In this way it contributes to the debate regarding the interface between institutional perspectives and sensemaking/enactment.

### Organisational Context & Institutional Context

Institutions or institutional fields are socially constructed, taken for granted supra-organisational prescriptions, shared rules and typifications for behaviour (Scott 2001; Barley and Tolbert 1997) which shape meaning-making through communication and interpretation (Giddens 1984) with carriers and resources moving meaning from place temporally and spatially (Scott 1995). For example, professions or organizational roles can act as institutions, as can conventions and structural arrangements. As such, institutions are considered to be objective, external artefacts.

The specific influence of institutions on organizational arrangements is explored throughout the different threads in institutional theories or perspectives. For example traditional institutional theory is typified by the notion of the 'iron-cage' of the institution and explains the similarity (isomorphism) and stability in organisational arrangements in a field of organisations (Greenwood and Hinings 1996). This view of institutional perspective argues that institutions act as 'internalized cognitive constraints on sense-making (taken-for-grantedness)' (Weber and Glynn

2006: 1640) and that actors comply with institutional norms because alternatives are inconceivable (Scott 2001).

Two areas of new institutional perspectives have sought to explore this paradox of embedded agency (Seo and Creed 2002), and answer ‘If as institutional theory asserts, behaviour is substantially shaped by taken for granted institutional prescriptions, how can actors envision and enact changes to the [institutional] context in which they are embedded?’ (Greenwood and Suddaby 2006: 32). That is, how can they be motivated and enabled to promote changes to this institutional context? Neo-institutionalism in its many forms seeks to address this issue with an emphasis on human agency and its place in the conception, objectification, legitimation and diffusion of institutions (DiMaggio and Powell 1991; Greenwood, Suddaby and Hinings 2002). Through social processes new ideas, logics and routines are established. In terms of context, neo-institutionalist perspectives consider that the more central an organisation to its institutional field, the more embedded it will be in that institutional context and the less likely are possibilities for institutional change. Those at the edge of the institutional field are more likely to see opportunities for change as they may be less aware of or less reminded of institutional expectations (Kratz & Moore 2002; Greenwood and Suddaby 2006).

More recently the idea of institutional entrepreneurship has sought to answer the question differently (Greenwood and Suddaby 2006), exploring further the still problematic notion of changing institutions as most (even neo-) institutionalists still view institutions as fundamentally ordering and stabilising forces (Scott 2001; Greenwood and Suddaby 2006). Their answer to the paradox is that institutional entrepreneurs can act intentionally from inside the field to advance changes suppressed by the existing form of the institution (DiMaggio 1988, Dacin 2002) and in fact, mature field members are better placed to make these changes. Greenwood and Suddaby (2006) introduce the notions of boundary bridging and boundary misalignment. Boundary bridging suggests that mature firms have special advantages regarding institutional change from within as they are connected to organisations in other fields which exposes them to alternative ideas and so raises awareness of other ways of working. There is also the potential for boundary misalignment which raises the possibility of organisations ‘growing out’ of their institutional constraints with the regulator becoming less powerful and the institutional effects weakening. So, while prevailing logic suggests that new entrants to the field are more likely to effect institutional change, the alternative may also be true (Greenwood and Suddaby, 2006).

Thus, in either the case of neo-institutional perspectives or that of institutional entrepreneurship, a distinctive shift is evident from a whole institutional focus to a focus on institutional fields which brings to the fore the role of human agency. Thus there is the potential for internal actors embedded in organisations to ‘wittingly’ (Dacin, Goldstein and Scott 2002) change the institution within which they are work.

### Organisational Context & Enactment

Discussions of organisational context are not, of course limited to an NPM or institutional perspective. Exploration of organisational context appears in the consideration of enactment and sensemaking in organisations. An enactment analysis recognizes that the organization is something other than objective resources as managers are involved in the ‘ongoing retrospective

development of plausible images that rationalize what they are doing' (Weick, Sutcliffe and Obstfeld 2005: 409). Since Weick's (1969) seminal text introducing the idea that managers retrospectively interpret their actions, the sense-making recipe of 'How can I know what I think till I see what I say?' has been an influential idea in understanding organizations (Anderson 2006). Organizing occurs in the context of developing circumstances where managers make sense retrospectively from cues and clues in their environment so as to impose a degree of order on those circumstances (Weick, Sutcliffe and Obstfeld 2005: 409). In this way, managers enact their environment subjectively and retrospectively, rather than it existing objectively and prospectively, as 'when people act, they bring events and structure into existence and set them in motion' (Weick 1988:306). It names the actors in the organization as the creators of their context.

Weick's contribution to organization studies has been substantial, challenging conventional, objective views of organizations and replacing that with a subjective, messy and uncertain view. As a view of organizations, it shifts the focus of our attention from the structural aspects of the organization to organizational members' responses to, and relationships with these aspects, and in short, argues that the only sense that can be made is the highly subjective one, developed through social interactions to build collective accounts of events, post-hoc (Weick 1969, 1979, Weick and Roberts 1993, Maitlis 2005). Within this perspective, organization, which may look like it is purposefully and formally created, is in fact *enacted*. People make sense of complex and ambiguous environments - they think by acting, creating what they confront (Gioia 2006).

Thus, organizations and environments can be considered convenient labels for patterns of activity (Smircich and Stubbart 1985). Weick resists the notion that the organisation is a 'container' for the activity of actors. *In extremis*, in 'enactment ...there is no ontological difference between micro and macro' underlining that organisations do not exist separate from the conversations which enact them. So while the separation between sensemaking and context is a contentious one, Weick calls for further exploration of its existence and role (Weick 2003, Weick, Sutcliffe and Obstfeld 2005). He argues that the influences on this process of sense making are largely social and the first step in understanding how social reality is constructed is grasping the nature of attention - of identifying which elements in ones surroundings are most worthy of attention (Weick 1969, Eisenberg 2006). Furthermore, there is almost no discussion of 'mediation of chains of enactment' (Weick 2003: 192) and discussions of enactment do not embrace the 'stuff of organization' - artefacts, material forms that people find important, and as such, in enactment, the environment is 'empty' - he argues for more consideration of what could interfere with the process of enactment or deflect it. Therefore, reflecting on how things, and what things, are selected from the environments in which managers operate to be 'talked into existence' gives us a way into meaningful discussion of organisational context (and in particular institutional context) in sensemaking.

The sense-making activities of managers surrounding change has been of growing recent interest, particularly where the way in which *senior* managers construct and understand change (Dunford and Jones 2000, Berry 2001), and where there are attempts to describe how managers make sense of the past, cope with the present and plan for the future (Rouleau 2005). However, this interest in sense-making has been in extreme conditions, strategic matters or in crisis situations (Brown 2000; Whittington 2003; Rouleau 2005; Weick 2006). The analysis has predominantly focused on the cognitive processes which comprise the sense-making activities rather than on the contextual

issues which frame these activities. In considering strategic change, attempts to structure the context by which people make sense has been called ‘sense-giving’ (Gioia and Chittipeddi 1991), although this is intended to describe the process of influencing the sense making of others towards a particular organizational definition.

Overall, the existing sensemaking literature has explored in detail the processes of interpretation, usually through individual organizational events or cases or by considering a level in the organizational hierarchy. Thus the focus has been on micro processes and not their relationship with the context in which sensemaking occurs.

### Making Sense with Institutions?

Acknowledging that institutional contexts have a role in explaining cognition (Weber and Glynn 2006) is an aspect often considered to be missing from sensemaking perspectives (Taylor and van Emery 2000) and this gap between the two perspectives is usually presented as insurmountable with the broad area of institutions concerned with extra-subjective macro-level structures and sensemaking with subjective micro-level processes (Weber and Glynn 2006; Weick 2003). Despite this, potentially, neo-institutional perspectives/institutional entrepreneurship and sense-making have at their heart similar concerns, even though the ‘juxtaposition of sense making and institutionalism has been rare’ (Weick, Sutcliffe and Obstfeld 2005: 417; Jennings and Greenwood 2003). Sense-making is, like most institutional perspectives, concerned with creating reality, and exploring identities, frames and expectations (Weber and Glynn 2006) and so exploring the nature of the links between broader organizational or specific institutional context and sense-making and enactment is a valid pursuit. Fundamentally, both perspectives are concerned with the role of actors in social interactions creating a form of organizing and the impact of this organizing.

As always, however, the devil is truly in the detail, and Weick (1995: 35) argues that “sense making is the feedstock for institutionalization”, and as such the sense making activities of managers are what bring institutions into being. Institutionalists by contrast (e.g. Weber and Glynn; 2006) argue that the causal arrow is in the other direction – that institutions prime sense making. There is room for reconciliation between these two opposing perspectives if attention is turned to the mechanisms that link micro –macro levels of analysis (Weick, Sutcliffe and Obstfeld, 2005) in a way that treats neither level as privileged or self-sufficient (Weick 2003) and explores the influence of macro states (institutions) on the behaviour of individuals and how this affects future macro states (Storper and Salais 1997; Hedstrom and Swedberg 1998; Weber 2003).

Overall then, considerable attention has been afforded to the micro-processes of making sense, and not the factors in the organizational context that prime the sense making processes of managers, how managers select areas worthy of attention from their context, or how this context interacts with the sense making processes. This article seeks to add and suggest ways of conceptualizing these underexplored elements.

## RESEARCH DESIGN AND ANALYSIS

The empirical evidence used in this article draws on a qualitative, comparative, multiple case study comprised two prison establishments in the PSEW, one privately, and one publicly managed. This design was chosen as representing an established way of theorizing about individuals embedded in organizations (Yin 2003). A comparative case study design was used and the chosen sites selected to generate contrasting results for predictable reasons (theoretical replication).

The case study was built from data gathered in semi-structured interviews with the managers in the Senior Management Team (SMT) in each establishment, from archival data and documents and by observing physical artefacts, observations of managerial behaviour and attendance at meetings. The research focus was on how managers draw on organisational context to make sense of organisational events (change) in a private and a public prison. Over a two year period each establishment was visited at least three times to conduct interviews, observe activities, gather documents and attend meetings. In each prison, each SMT member was interviewed for between forty-five minutes and an hour. SMT members in prisons all report directly to the Governing Governor/Director in the managerial line and include operational (directly responsible for prisoners) and non-operational (usually professional/civilian staff) managers. Nine managers were interviewed in each prison. The exact nomenclature of the posts varied across the prisons, but as well as the Governing Governor/Director, managers who were responsible for Custody (deputy Governor/Director), Regimes/Activities, Residence, Human Resources/Finance, Probation/Resettlement, Facilities, Education and Performance were interviewed.

Each prisons' Governing Governor (public) or Director (private), the most senior role in each establishment, holds a rank/grade and remuneration dependent on the size of the prison and its role. Each prison has a multidisciplinary team of managers and professionals with functional responsibility across the prison. The exact nature of the division of responsibility across these roles is the decision of the Governor/Director and the personnel in each of the roles changes frequently. Governing Governors for example, spend an average of less than 18 months in post before promotion or transfer. Typically the managerial team is split into operational (with direct prisoner management functions) and professional (with administrative or support functions) staff. In public prisons this split is emphasized by operational staff wearing uniform, and professional (and all managerial) staff wearing 'civilian' clothing. In private prisons, all staff wear their company uniform. The prisons were similar in geographical local, size and purpose. The private prison was established in 2001 (neither the oldest nor the youngest private prison) and the public prison in 1968 (again neither the oldest nor the youngest). The private prison post-dates the introduction of NPM arrangements, and the public predates them. Although in each case the senior management teams had as their members staff who in their current posts all post-dated the introduction of NPM arrangements.

The size of the management teams and the researcher's personal work history in the PSEW ensured easy establishment of effective dialogue and frank communication. The SMT was chosen as the level of study because in the PSEW, they are at the heart of organizational change; they are the interface between policy (NOMS/Prison Service HQ) and operations (Prison operational staff). While they are regarded as senior managers at the level of the prison, they are also be regarded as middle managers in the overall hierarchy of the PSEW. Furthermore, both the change and sense-

making literatures have found that the view of managers is vital to the understanding of change (Keisler 1982; Doyle, Claydon and Buchanan 2000). They have a critical role in managing change (Floyd and Wooldridge 1992) but their influence is under-researched (Huy 2002; Balogun and Johnson 2005; Currie and Procter 2005).

Regarding organizational context, the PSEW is a useful case as it has a complex structure, has been subject to considerable pressure to change in recent years, but this process is largely unexplored. This is hardly surprising given the challenges of access and interpretation in organizations closed to the outside world with a traditional command and control structure – this was overcome to some extent by the author's experience in the PSEW.

The purpose of the interviews and observations was to gather as much data as possible about managers' perceptions, reactions, interpretations, descriptions and conclusions about their context through discussing operational change events that the managers individually considered to be important. The interview schedule was structured to allow managers to discuss three operational change events that they considered 'significant' by their definition. This 'loose' definition of change events (i.e. they were not asked to identify 'strategic' or 'large' or 'important' change) was carefully chosen as events are critical when participants themselves perceive them as such (Schien 1985). The choice of operational change events as the topic for discussion was purposeful in that they represent a departure from established routines, agitate established routines and prompt conscious thought (Isabella 1990). Interviewees were also asked to identify whether they defined the changes they described as successful or not (Armenakis and Bedeian 1999), and were probed on the reasons why. Managers were given a two year timescale within which to identify the changes as evidence suggests that most managers in Prison Service spend less than two years in any one job role (Prison Service 2005). Additionally, managers were asked to assess similarities and differences between 'their' organization and others – this question allowed each manager to reflect specifically on the nature of their organizational context. Each interviewee was asked the same schedule of questions but open, non-specific, exploratory questions (Can you tell me more? Did anything else happen?) were used to encourage them to develop their answers to their fullest extent. As such, the interviews were *post hoc conversations* about change events, after their conclusion with the intention that this would reveal their view of the context in which they worked.

Traditional prejudices against case study research identify the potential for lack of rigor in the process and the lack of basis for scientific generalisation (Yin 2003). It is worth noting that no claims for the potential for replication to populations are made by case study research, instead it claims generalisability to theoretical propositions (Yin 2003; Eisenhardt 1989, 1991) and as such is a credible tool for developing theory, a central activity in organisational research (Eisenhardt 1989). Rigour was ensured by following the process of inducting theory from case study research as discussed by Eisenhardt (1989 & 1991).

Using the ethnographic approach of first-order analysis and second-order analysis (Glaser and Strauss 1967; Van Maanen 1979; Isabella 1990; Gioia and Chittipeddi 1991; Langley 1999), the first level of analysis sought to describe and compare the aspects of context upon which managers drew to make sense of operational events and integrates the themes from the interviews with my interpretation of documents and artefacts. The second level of analysis sought to understand how

the institutional context was enacted by the managers in order to identify underlying explanations and to inform an explanatory theory. To support this process, all the data from the interviews, researchers' notes from visits and observations and documents were transcribed and coded in QSR NVivo 7 software which aids analysis and interpretation of qualitative data.

### **EMPIRICAL DATA: CONTEXTUAL INFLUENCES ON MANAGERIAL SENSE-MAKING (FIRST ORDER FINDINGS)**

This section describes aspects of the organizational context that the respondents used to make sense of their involvement in change events. The first order views (Gioia and Chittipeddi 1991) draw on the accounts of the managers in the prisons in the case studies, the review of organizational documents, and observation of physical artefacts and meetings. Both sets of respondents articulated common views on the nature of the context in which they operated. Despite the focus of the discussion being operational change events, managers were consistently and overwhelmingly engaged in attempts to make sense of the broader institutional context in which they work when grappling with change management issues. That said, each set of managers presented different versions of this context, and this is discussed in the section which follows.

#### *Public Prison (Prison O)*

Predominantly, managers in the public sector prison describe the context in which they operate as one which starts with the PSEW as a whole to explain or give sense to their actions during changes they consider to be significant. Their sense of this *service context* goes beyond the local environment in which they work to take into their understanding the broader organisation of the Prison Service. They use detailed descriptions of the extent of their embeddedness in this service context to explain (give sense to) and understand (make sense of) their actions. They grapple with the contradictions and difficulties inherent in this environment as they try to explain their actions and outcomes in change events.

In interviews, meetings, documents and observation, three facets or dimensions of the strong influence of this service context were particularly prevalent in their explanations of change: *a sense of* being controlled by the centre, a sense of being embedded in the PSEW and different from 'other' outside organizations because of the nature of the business, and a sense of complexity, ambivalence, lack of boundaries to the context. Together, these aspects led managers to describe aspects of the service context as overwhelming, restricting, and limiting, and something to be overcome. For the managers this meant fragmentation and uncertainty and a shared picture constructed to emphasise the dominance of the service context of the PSEW in their descriptions of change. These aspects of the context were present in almost all the managers' accounts and evidenced in organizational artefacts in the public prison: a sense of being controlled by the centre, a sense of being embedded in the PSEW and a sense of complexity (Table 1).

TABLE 1: PUBLIC PRISON

<b>PUBLIC PRISON</b>		
<b>Managers' Sense-making</b>	<b>Supporting Institutional factors</b>	<b>The Enacted Institution</b>
<p><i>Control by the centre</i></p> <p>“The history is hugely important – the struggles with the unions, the way that operations and policy has been divided between Ministers and prisons, the bad feeling that has left, all has a huge impact on people’s willingness to change.” (Governing Governor O)</p> <p>“Its very different in its very centralised and formal approach, a top down approach. It constricts the ability to work outside the box because everything has to come from the top.” (Deputy Governor O)</p> <p>“Its changed from when I joined, my feeling then was and certainly for the first 5 or 6 years, we were quite unique, we were stuck in the dark ages people came to prison and we locked them up and took them to court and brought them back again and that was about it. We became an agency, and although we still haven’t got the power to make the decisions that we ought to have, certainly locally I feel, we have got a lot more than we did have and we are now doing a lot more.” (Deputy Governor O)</p>	<p>Arms length (but powerful) central control.</p> <p>Strong procedural emphasis.</p> <p>Potential for political scrutiny in parliament.</p>	<p>View of the service context as ‘The Whole Prison Service’ of which they were a small part.</p> <p>Change driven from top.</p> <p>View of context as negative, overwhelming, restrictive, limiting.</p> <p>Limited availability of options during operational events.</p> <p>Emphasis on service credibility.</p>
<p><i>Being embedded</i></p> <p>“I think we are different [from other organizations] because we are so complex in structures and the procedures and the history that any prison has, and anyone who has worked in a number of prisons for any length of time they become seeped in that way of doing things..... You can go to any prison in the country and extensively things will be done the same way purely because that is the way the prison service does it. ” <i>Deputy Governor, O</i></p>	<p>Physical Barriers (wall).</p> <p>Demonstrative artefacts (uniform, keys, location of workplace).</p> <p>Lack of public understanding combined with intrusive press interest.</p>	
<p><i>Complexity</i></p> <p>“The prisoners are coerced into being here. They have no choice. You could argue that being here is the consequence of what they’ve done, but they don’t see it like that. Excepting mental hospitals, is there anywhere else</p>	<p>Multilayered, multifaceted and complex managerial</p>	

	<p>like this?" <i>Works Manager, O</i></p> <p>"I always [equate] the prison service to an onion, it's full of different layers and full of different factions and everyone's scrabbling about for their own little bit" (Works Manager Prison O)</p> <p>"The service is so complex because it is something that experiences quite rapid and frequent change and yet at the bottom of it all is something that never really changes. That underlying stability isn't always helpful because it means resistance to change and on top of that is that constantly changing, constantly evolving almost outside your control stuff." <i>Human Resources Manager Prison O</i></p>	<p>arrangements.</p> <p>Emphasis on transparency, contrasted with physically enclosing boundaries</p>	
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This interpretation of the institutional context suggested that management options were limited. Alongside this emphasis on hierarchy and central control, managers spoke also of the focus on procedure and blame and the stifling effect this has on opportunities to develop ideas around change. This is compounded by the immediacy and urgency of most operational events and the need to manage prisoner and staff issues as they arise to minimise the chance that these escalate into disturbance of routines. Overall, managers imbued their discussions with an emphasis on the negative aspects of the relationship they have with the centre in a way that underlines the challenges they face in this particular environment, and how it limits the options available to them.

The institutional context was also central in their judgements about the success or failure of change. Rather than focusing solely on outcome issues i.e. whether they achieved the original change goal, they were content to judge a change event as successful even if the original goal changed or was jettisoned and replaced with another, if the process was successfully managed i.e. there was good communication, appropriate relationships with staff/prisoners. They expressed that their separateness or difference made it difficult to understand what could be learned from the experience of others in other environments. However, this shared notion of separateness also brought an element of coherence to the environment. In addition, these repeated statements were made to an interviewer with an experience and understanding of the environment, who arguably needed no special explanation. The use of this context then could be argued as 'normal' and not as added emphasis for an 'outsider'.

This particular view of the dominance of the service context engendered ways of working which placed high emphasis on service credibility – having and demonstrating an experience of managing within the context of the PSEW. This was evident in two themes which emerged from conversations. Firstly, when discussing the role of working or professional experiences that preceded or overlapped with current roles it was clear that any alternative professional or work experience was a secondary or alternative frame of reference to that of the service context of the prison, as a plausible influence on, not alternative to the contextual constraints. Thus, the professional frame of reference was itself framed by its credibility in this context.

Secondly, when managers discussed the role of others in change events in which they were involved, they assigned importance and influence to these individuals as carriers of messages about the change or as an enabler or limiter for the particular change on the basis of whether they had strong, demonstrable relationship with the operational context. The demonstrable relationship with the context was based principally on the individual's ability to convey an understanding of the organizational context, that is, not how much experience managers had of influencing change successfully, but on:

‘how good they are at talking about how much experience they have of the prison service.’ (Works Manager Prison O).

In this manager's experience, the social process of sense-giving in the prison service was underpinned by the ability to demonstrate an understanding of this organizational context to ensure credibility in the change process.

Beside this rhetoric of restriction and challenge, lay a strong performance profile (HMCIP Reports, Prison Service Annual Report and Local Monitoring Board Reports) which stood

in stark contrast to the way in which managers spoke of the difficulties of the context in which they operated.

### Private prison

By contrast, Managers in the private prison describe a context that starts with the local environment (the prison itself) rather than the broader environment (the PSEW as a whole). The predominant view of the operational context is a less expansive, more contained one. Detailed descriptions of the nature of the contractual arrangements were given and contractual performance measures used to justify and judge actions.

Again, there were strong recurring themes in interviews, meetings, documents and observation. These themes were different from those of the public sector: for managers in the private sector prison, the context as a whole was one which was liberating, allowing freedom of process so long as outcomes were achieved, and as a way of working which encouraged internal coherence and certainty. While comments and discussions indicate their embeddedness in the PSEW as a whole, certain distinctions arise indicating that they operate in a different way to the mainstream PSEW. Moreover, managers express that this mode of operation offers advantages that the public sector prison service does not have. Overall, they view the context in which they operate as a positive one which helps the achievement of change. For these managers the main aspects of the context were: a sense of the flexibility of the context, a sense of being separated from other prisons and the PSEW as a whole and a sense of clarity and certainty (Table 2).

TABLE 2: PRIVATE PRISON

<b>PRIVATE PRISON</b>			
<b>Managers' Sense-making</b>		<b>Supporting Institutional factors</b>	<b>The Enacted Institution</b>
<i>Flexibility</i>	<p>“Our environment is much more flexible, we can do things fairly quickly, we don’t have the entrenched union position that many public prisons have……. If we want to change procedures we can pretty much go ahead, as long as we achieve our contract accountability. We have to abide by prison service instructions, regulations and rules, but when it comes to how we achieve these things, we are less bound. <i>Deputy Director, Prison P</i></p> <p>“When we sit down for our performance meetings, all we want to see is who has a green bar [target achieved] and who has a red one [target not met]. We don’t care how they did it – within reason – just that they did” <i>Performance Manager, Prison P</i></p>	<p>Arms length (truly contractual) central control.</p> <p>Strong outcomes emphasis in contract, with opportunity to choose process of achieving outcomes.</p> <p>Potential for punitive sanctions in contract only if <i>outcomes</i> not achieved.</p>	<p>View of the service context as their prison, embedded in the prison service as a whole.</p> <p>View of context as positive, allowing them access to a range of options for implementation</p> <p>Wide range of options during organizational events</p> <p>Emphasis on contractual credibility</p>
<i>Being separate</i>	<p>“I’ve had 28 years experience in the public sector, so I can compare the differences. [In the Private Sector] the reputation and relationship aspect is key. Getting back the relationship and credibility is key – and making the prison a better performing prison in terms of the service we give to the public. Managing change is part of the fabric of the job and absolutely at the forefront of our minds.” <i>Director Prison P</i></p> <p>“When we started we started with a blank sheet – we didn’t have the weight of history that the Prison Service has. There is a lot of difference between the Prison Service and here We don’t have the history – good and bad” <i>Human Resources Manager, Prison P</i></p>	<p>Company Identity: uniforms, logos, statements</p> <p>Relationship with Home Office Controller</p> <p>Relative ‘youth’ in the field</p> <p>Different structures and terminology</p>	<p>Higher performance</p>

<p><i>Clarity and Certainty</i></p>	<p>“There is less visibility of accountability processes in the public sector. We are more focused on outcomes and proving we have achieved them.” Performance Manager, Prison P.</p>	<p>multilayered, multifaceted and complex managerial arrangements clarified by contractual arrangement</p> <p>Emphasis on transparency, and accountability to customers</p>	
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Underpinning the emphasis on flexibility and opportunity lay an emphasis on being ‘young’ in the field, having staff who were chosen to fit the company ethos, and that these aspects were positive, opening not restricting opportunities. That said, there was no doubt in the descriptions of the managers in the private prison that they did work in a prison; they referred to similar actors and artefacts when describing their day to day work in the prison – locks, bars, keys, gates, prison routines, prisoner reactions. However, they did this with fewer references to the broader context in which this was embedded – the prison service as a whole.

These respondents were also quick to explain how their previous managerial experience in other/different operating contexts informed their actions and brought something new to the experience of managing change. While the public prison managers judged whether their ‘old’ experience had credibility in the context, the private sector spoke of challenging the service context with their previous work or professional experience in a way that helped the organisation to learn from other businesses or experiences. For many of the managers, this previous experience was in disciplined environments which for some was the public sector prison service, but others drew on experiences from the armed forces or commercial companies. This sense of difference from the rest of the PSEW had two effects. Firstly it created for them a distance that allowed them to learn from others. Secondly, it meant that while they were separated from the PSEW by being a private company, they expressed positive, rather than negative identification with the broader service context. They had no doubt that they were a part of the PSEW, but that the contract afforded them a position that meant that their experience of working in the PSEW was different from that of managers in the public sector. Many managers were able to make that comparison directly, as they had personal experience of working in public prisons.

The emphasis on accountability and achieving outcomes were a central source of this certainty and clarity. It underpinned a particular view of the dominance of the operational context. It engendered ways of working which placed high emphasis on contractual credibility – having and demonstrating the ability to manage the contract, work with the contractual monitor and demonstrate, prove and improve performance.

“we are driven by our customer on site, and prove/evidence everything to them. We have a whole range of customers we have to satisfy, but the Home Office Controller is the most visible way we demonstrate how we are serving our customers. We ask all our new officers who they think their customers will be”  
HR Manager, Prison P.

In contrast to the public prison, the emphasis was not on service credibility, but on contractual credibility. This was evidenced by two particular themes. Firstly, in the way that they took pride in the fact that they chose their staff for the lack of service experience:

“A major difference is the people we employ. Most if not all are not from a prison background, and so we recruit people who we want, we train them in the ways we want them, so that they display the behaviour we want them to display, and we have a staff group that is very cooperative, with no baggage from the Prison Service, and so what they experience here and what they see here is all they

know, and so they are more cooperative, receptive to change and that is a major difference” Deputy Director Prison P.

Secondly, this showed itself by frequent references to the contract, its requirements and the consequences of breaching it, but also to the ways in which the contract shaped the relationships with the stakeholders inside and outside of the prison:

“Because we are a contracted out prison...in the private sector relationships with the customer is of vital importance and reputation is very significant. Those are features which aren’t evident in the public sector. While obvious, simplistic, it shouldn’t be underestimated. I’ve had years of experience in the public sector, so I can compare the differences. The reputation and relationship aspect is key and making the prison a better performing prison in terms of the service we give to the public.” Director Prison P.

While managers in the public prison described change as a success or failure on the basis of the process, private prison managers describe change as a success or a failure based on their ability to demonstrate the outcome had been achieved e.g. ensure accountability for outcomes and demonstrate the sustainability of the change. There was a very strong emphasis in all the discussion about this:

“We have a very rigorous system of establishing levels of performance and then monitoring achievement. If the chart is green, we’re achieving it, if it’s red, we’re not. No-one wants to be the one in the meeting explaining why their box is red. And we want to see it sustained. There is no point in doing it well one month. You have to keep doing it well.” *Performance Manager, P*

Alongside this rhetoric of flexibility and opportunity, lay a much poorer performance profile (HMCIP Reports, Prison Service Annual Report and Local Monitoring Board Reports) which stood in stark contrast both to the public prison in the study and to the way in which managers spoke of the opportunities and flexibilities of the context in which they operated.

### Summary

Both sets of managers operate in a managerially complex, arms-length NPM environment with the same physically enclosing boundaries and restrictions on procedure. The potential for negative and positive contractual outcomes, existed in both environments, but the two sets of managers placed emphasis on different aspects of their context in order to make sense of what happened during operational change. Thus for the managers in the public prison, they interpret their context is the prison service as a whole. It was described as overwhelming, restricting, limiting, meaning fragmentation and uncertainty. Change was described as a success or failure on the basis of process issues e.g. good communication, appropriate relationships with staff/prisoners, as well as emphasising the process emphasis present in all organisational arrangements. The impact of the service context (locks bolts bars etc) was discussed frequently, along with other referential frames – professional experience elsewhere, change agents, but only where they demonstrated strong service coherence. The environment was one of ambivalence, complexity and was largely undelineated. Overall, there was a high importance on service credibility.

Managers employ these aspects of this complex organizational context when making sense of change events in a way that emphasizes a sense of the dominance of the operational context of 'working in the Prison Service'. Judgements of whether a change is achievable, or not, are firmly embedded in this macro-context. The existence and impact of the service context is used to explain inertia, failure or disappointment, and to underline the challenges faced. Contrary to what the change literature might have suggested, managers refer infrequently to the size or complexity of the change, or the managerial challenges of working in a large organization. More important is the size or complexity of the context. When describing the bases on which a change was considered to be achievable or not, the actions taken by respondents are founded on their search for explanations of the complexity of the context rather than the issue itself, becoming locked into consideration of, especially, conflicts between what they would or could have done, had it not been for the fact they worked in the Prison Service. Complex, plausible stories are told of failure in the face of the overwhelming difficulties faced by working with prisoners and success *despite* the challenges of the context. Despite this overwhelmingly stultifying interpretation of the context, managers in the public prison in this study worked in an environment of comparative high performance.

By contrast, managers in the private prison describe their context as the contractual arrangement with the centre. This was seen by respondents as liberating, allowing freedom of process so long as outcomes were achieved. Change was described as a success or a failure based on a demonstration that the outcome had been achieved, accountability for outcomes ensured and sustainability of the change demonstrated. The referential frame was almost exclusively the prison itself, emphasising the lack staff experience as something they could use positively. However, managers also drew on previous employment and professional experience to explain and inform their actions. They overall picture was a positive and enabling one of certainty, clarity and a carefully delineated context that they could manipulate and control to best effects. Credibility was not based on an understanding of the service, but an understanding of the contract. Despite the upbeat assessment of the context, the performance levels were less positive than the public sector prisons on the same external, objective measures.

### **DYNAMIC ENACTED INSTITUTIONS: THE ROLE OF INSTITUTIONAL CONTEXT IN SENSE-MAKING (SECOND ORDER FINDINGS)**

This second order analysis seeks to theoretically analyse that which has been described in the previous section, considering the nature of the interaction between the institutional context and sense making activities of managers when discussing operational change. The central activity of managers of enacting the institutional context is illustrated in these two cases and as such the cases present an opportunity to extend extant theory. Managers in the same institutional field, with the opportunity to be guided by the same or similar institutional norms, chose to pay attention to selected, and different aspects of their institutional context and made choices about how they would enact those contexts. Managers in the public prison selected institutional aspects that emphasized their embeddedness in the service context, their process focus and the limitations of the context. Managers in the private prison emphasized their embeddedness in the contractual context, their outcome focus and the freedoms of the context. This gives space to propose an addition to an 'under-theorized component of Weick's depiction of sense making' – institutions (Weber and Glynn 2006: 1640).

The role of managerial choice in, or enactment of the institutional context both supports and challenges institutional theory which would argue that managers adopt institutional norms because they can see no other way of doing things. It supports institutional theory in that once the institutional context is defined by managers – here displayed in the empirical data by managers from the public prison selecting and identifying the service context, and by managers from the private prison, selecting the contractual context – then managers judge the value of other experiences by their ‘fit’ with this selected context. The institutional context frames their discussions and defines the limits of what they consider possible. However, before this stage is reached, there is a process of selection which is driven by the local context (in this case the prison) in which they operate.

However, as the institutional context is so prevalent in influencing managers’ descriptions, it would be easy to get caught up in debating which came first – the institution or the sense making - but this simply reinforces the current polarization of the positions and does not allow for conclusions about the relationships between the two elements of institutions and sense making which advance the theory. Potentially both institutionalists and sensemaking theorists have the answer, but only part of it: “the answer is in the relating, the relations, the cycling” (Weick 2003: 192). So, the remainder of this section suggests some starting points for moving the discussion and the body of theory forward to develop opportunities for debate about the dynamic interaction between sense making and the components of institutions.

The first point of clarification is the place of institutional context in the sensemaking activities of managers. In Weick’s analyses, “enactment is the starting point for organizing....he insists that the first step in understanding how social reality is constructed and reproduced is grasping the nature of attention, of identifying which elements in one’s surroundings are most worthy of focus” (Eisenberg 2006: 1698). Despite the focus of the discussions with managers being operational change events, they were consistently engaged in attempts to make sense of the broader institutional context in which they operated through the medium of discussing the change events. The managers returned again and again to defining aspects not of the change event, but of the institution. The fact that managers consistently chose to pay attention to the context more than the change events suggests a prominent role for institutional context in sense making activities of individuals in an organization. The prominence of the institutional context demonstrates that the process of sense making by managers does not happen in a vacuum. In both the case examples presented here, the managers had a clear story about the nature of the institutional context in which they operated and it occupied a prominent place in their sense making activities regarding operational events.

The second point of clarification is that while arguably, the respondents in each case could have chosen similar things to emphasise, as the managers are all part of the broader PSEW, in each case, the story was different. While institutional themes were dominant, managers interpreted and enacted different versions of the institution (what is the story) and then they pursued that to develop a different sense of what they should do next (now what?) (Weick 2003). The collective, but differing theme which emerged within each case suggested that managers develop shared understandings of the nature of the institutional context and the way this affects operational events. Individuals repeat similar, shared, mantras about the role and impact of the institutional context. Within each case, individuals shared, communicated and developed norms which defined their context.

These two points of clarification indicate the existence of a dynamic relationship between organizational events, institutional context and managers attempts at sense making, one which is iterative and cumulative. The cases suggest that this relationship has three distinctive characteristics which interact to provide a negotiated institutional context.

Firstly, Weber and Glynn (2006) argue that institutions prime sense making in as much as the situational context is the primary driver in guiding the identification and following of appropriate institutional norms. The cases provide partial empirical support for this, in that as in each local situation, different institutional norms were chosen to guide the behaviour of managers. This helps to explain the relationship between institutions and sense making, through this notion of priming.

However, this is only part of the picture as a second characteristic is evident. Weber and Glynn (2006) also argue that this priming role is weaker than the internalized cognitive restraint role of institutions, however a linearity of relationship is still implied. These cases support a more dynamic interaction between the institution and sense making activities, as alongside the local situations' role in guiding the selection of the institutional norm, the macro institutional context also provides defined structures of connection between the local contexts and the macro environment of the institution. The NPM framework defines the structures of connection between central and the local contexts. It also defines the patterns of interaction between actors and their local context and between local contexts. This NPM context provides history, expectations, a frame for judging the extent of embeddedness and the applicability of process, regulation and relationships. The structures, as they differentially apply to local contexts, expose actors embedded in local contexts to different attention worthy factors which guide their definition of the local context which influences their selection of plausible institutional norms.

Thirdly the cases described here suggest some further adjustments to Weber and Glynn's notion. Cues in the local situation do indeed frame the options and structure the choices managers make. For example, the impact of the contractual framework, professional dress, organizational events, the physical structure of the prison, the local governance structure, the nature of the experience, performance expectations, and professional identity of the managers all act to define the local context which provide cues that direct the attention of the managers. However, this attention is directed not necessarily to the most organizationally appropriate, but to the most plausible institutional norm. Plausible means those norms which are most reasonable or credible given their view of the context in which they operate. For example, in the cases presented, public sector managers saw plausibility as concerning their place in the service context, for private sector managers plausibility concerned their place in the contractual context. If the plausible norms were also the most organizationally appropriate in both cases, one would expect performance levels to be high in both prisons, but this is not the case. The selection of plausible, rather than organizationally appropriate norms accounts for the disparity seen in the cases between espoused and actual performance levels, where the managers in the private prison were disproportionately optimistic about performance levels, and those in the public prison were disproportionately pessimistic. This identifies that the process is not an error free one. The cases demonstrate that the dynamic relationship between the local context and the institutional context is a central factor in the selection of institutional aspects by organizational actors. In the institution of the PSEW, managers sought not so much to change the institution, but to select aspects which matched their definition of

credibility in the local context. This was evident in both cases. Thus in the space between the local and the macro context comes an operationalisation or enactment of the institution by actors embedded in it through the notion of credibility. Credibility had the role of screening in or out potential interpretational rivals to the institutional context, and had a powerful role in determining whether managers were able to learn from other experiences or organisations. This was not simply about accepting institutional precedents, but about actively interpreting them so as to be able to judge the credibility of actors or experiences in their working context.

The three points above are not intended as a three stage process – in thinking about how institutions and sensemaking interact, “any old starting place will do” in order to answer questions about how context is shaped by and shapes action (Weick 2003: 191). Managers do not, therefore, work ‘context-free’, as they are deeply embedded and entangled in the institutional context in which they operate which simultaneously feeds sense making and is fed by sense making.

## **CONCLUSION**

This study has extended existing theory by contrasting the manner in which managers in public and private sector prison establishments in the Prison Service in England and Wales (PSEW) draw upon organisational context to make sense of operational change, and how in doing so they make sense of the institutional context in which they are embedded. The two cases from public and private sector prisons in England and Wales suggested that there was a role for institutions which was dynamic and went beyond the boundaries of extant theory, developing the synthesis of sensemaking and institutions suggested by Weber and Glynn (2006).

Consideration of the boundary between institutions and sense making revealed a dynamic relationship between the institutional context and local context through a search for plausible institutional norms, embeddedness in structures of connection and credibility filters. The institutional context was a powerful influence on managers’ assessment of organizational events and the interpretation of the institution had an ongoing place in the sense making activities of organizational actors, not merely priming the discussion, but continuing to be part of it throughout the story.

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