Master Thesis in Economics and Business Administration

Sensing Organizational Readiness For an Ambiguous Future: An Ethnography From the hospitality Industry

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ABSTRACT

This thesis explores the effect of disruptive technologies and the sharing economy on the hospitality industry. In order to conduct the study, Radisson Blu was presented as the case company being studied by applying ethnographic techniques. Airbnb was selected as the main disruptive technology with the highest effect on the industry, while Expedia was chosen as a secondary disruptive technology that has influenced the industry over the past two decades. Despite the great success of these companies, hoteliers keep ignoring the effect they have on the hospitality industry. Therefore, this thesis also explores readiness among business as usual companies to face disruptive technologies and ambiguous industry changes.

To study the phenomenon, the question of investigation was “how do actors make sense of the emergence of disruptive technologies?” In order to properly answer the question, sensemaking theory, with an emphasis on the sensemaking process suggested by Hernes et al. (2015), was applied. Additionally, to challenge Hernes et al. (2015), organizational readiness by Weiner (2009) and organizational learning by March & Olsen (1975) were applied as supporting theories. The combination of these theories resulted in interesting findings. The first finding was that by exploring the nature of narratives both in the internal and external environment of the organization, i.e. both staff and stakeholders, this enabled me to find competing narratives traceable through the sensemaking process. These competing narratives created disconnections in the relations between actors, and may explain lack of commitment among staff. Consequently, this led to the next main finding; that organizational learning seems to be a missing link in the current sensemaking theory, as this enables understanding of both internal and external sensemaking among actors, hence contribute to enhance the sensemaking process. Lastly, the thesis suggests that sensemaking and learning in conjunction function as mutually reinforcing theories to apply in the search to explore and establish readiness.
ACKNOWLEDGEMENT

The aim of this thesis is to provide scientific insight into how business as usual companies may overcome challenges caused by disruptive technologies and the emerging the sharing economy. It is important to acknowledge that Radisson Blu has solely been used as a case study to provide a real life example to the phenomenon, and that the project was initiated by the author of this thesis.

I would like to thank Radisson Blu for giving me the opportunity to conduct this study and the employees for their involvement.

Lastly, my sincerest gratitude to Tor Hernes, professor at Copenhagen Business School, for his supervision of this thesis, insights, and feedback.

# Table of Contents

List of Figures .......................................................................................................................... 3

1. Introduction .......................................................................................................................... 4
   1.1 The Meet Between Business As Usual and Disruptive Technologies ......................... 4
       1.1.1 The Sharing Economy ....................................................................................... 5
       1.1.2 Readiness to Face Disruption ......................................................................... 6
   1.2 Research Area and Purpose of Research ...................................................................... 7
       1.2.1 Research Question ......................................................................................... 7
       1.2.2 Explanation of the research question .............................................................. 8
   1.3 Background and Motivation ......................................................................................... 8
   1.4 Selection of the Case Company ................................................................................... 9
   1.5 Aim/Scope .................................................................................................................... 9
   1.6 Thesis Outline ............................................................................................................. 10

2. Methodology ....................................................................................................................... 11
   2.1 Research Design & Strategy ..................................................................................... 11
       2.1.1 Analytical and Empirical Contributions ......................................................... 11
       2.1.2 Abductive Reasoning ..................................................................................... 11
   2.2 Data Collection ............................................................................................................ 12
       2.3.1 A Qualitative Research ................................................................................. 12
       2.3.2 An Ethnographic Study ............................................................................... 13
       2.3.3 Presentation of Self ..................................................................................... 15
       2.3.4 Choosing a Role ......................................................................................... 15
       2.3.5 Choosing the Participants .......................................................................... 16
       2.3.6 Collecting the data ....................................................................................... 16

3. Theoretical Framework ...................................................................................................... 21
   3.1 Sensemaking .............................................................................................................. 21
       3.1.1 The Sensemaking Process ............................................................................. 22
   3.2 Supporting Theoretical Concepts .............................................................................. 27
       3.2.1 Organizational Readiness to Change .............................................................. 27
       3.2.2 Organizational Learning ............................................................................... 29

4. Setting the Scene ............................................................................................................... 31
4.1 Business as Usual (BAU) .......................................................................................... 31
  4.1.1 Radisson Blu (RB) ......................................................................................... 31
4.2 Disruptive Technologies ......................................................................................... 32
  4.2.1 Meeting Disruption by Being Disruptive ....................................................... 34
4.3 Disruptive Technologies in the Hospitality Industry ............................................ 35
  4.3.1 Expedia ...................................................................................................... 35
  4.3.2 Airbnb ...................................................................................................... 36

5. Empirical Data ......................................................................................................... 39
  5.1 Context ............................................................................................................. 39
    5.1.1 Front Office ............................................................................................... 39
    5.1.2 Back Office .............................................................................................. 40
    5.1.3 Rooms ..................................................................................................... 40
  5.2 People in Radisson Blu ...................................................................................... 40
    5.2.1 Management .............................................................................................. 40
    5.2.2 Employees ............................................................................................... 42
  5.3 The Representatives For the Environment: The customers ............................. 46
    5.3.1. Categorizing the Customers ..................................................................... 47
  5.4 Service Program and Satisfaction Measurement .............................................. 48
    5.4.1 Yes I can! ................................................................................................. 48
    5.4.2 Survey – Medallia .................................................................................... 49

6. Analysis ................................................................................................................... 50
  6.1 Part 1: The Sensemaking Process ..................................................................... 50
    6.1.1 Narratives in RB ....................................................................................... 50
    6.1.2 Interacts and patterns of interacts from YIC .............................................. 52
    6.1.3 Actor’s Commitment to RB and YIC .......................................................... 54
    6.1.4 What Differentiates Us From Our Competitors – Or Does Not? ............. 62
    6.1.5 The Sensemaking Dilemma ...................................................................... 62
  6.2 Part 2: Sensemaking to Establish Readiness .................................................... 63
    6.2.1 Expedia has been a large player for a while, no initiates made – time to face reality .......... 63
    6.2.2 The Role of Sensemaking in the Establishment of Organizational Readiness ............. 64
  6.3 Part 3: A Missing Link in the Sensemaking Process ......................................... 67
    6.3.1 Disconnection in the Establishment of Readiness From Superstitious Learning .......... 67
    6.3.2 Disconnection as a result of competing narratives .................................... 68
7. Discussion .................................................................................................................................................. 69
  7.1 Research Results .................................................................................................................................. 69
  7.2 Managerial Implications ...................................................................................................................... 70
    7.2.1 The Readiness Process ..................................................................................................................... 70
    7.2.2 A Proposed Execution Plan ............................................................................................................. 71
  7.3 Future Studies ....................................................................................................................................... 71
8. Conclusion ................................................................................................................................................. 73
Bibliography .................................................................................................................................................. 76

List of Figures
Figure 1: Thesis Outline ................................................................................................................................. 10
Figure 2: Reconstruction of the Link Between Data & Theory ...................................................................... 12
Figure 3: Overview of Collected Data ........................................................................................................... 17
Figure 4: The Sensemaking Process ............................................................................................................. 23
Figure 5: The Learning Cycle & Supersitious Learning ............................................................................... 30
Figure 6: Reconstruction of Disruptive Technologies .................................................................................... 33
Figure 7: Reconstruction of Commitment: The Commitment Chart ............................................................... 56
Figure 8: Hotel vs. the Sharing Economy Sensemaking ................................................................................. 63
Figure 9: The Readiness Process – Own Illustration ................................................................................. 70
1. Introduction

"Victory awaits him who has everything in order – luck people call it. Defeat is certain for him who has neglected to take the necessary precautions in time; this is called bad luck."

- Roald Amundsen (Collins & Hansen, 2011)

1.1 The Meet Between Business As Usual and Disruptive Technologies
According to Godfrey (2008) competition is “the process of rivalry between firms striving to gain sales and make profits, is the driving force behind markets. Efficient and fair markets are essential for catalyzing private sector development and economic growth” (p. 3). As Godfrey states, competition is the driving force behind markets. Without competition companies would not have been incentivized to lower costs and create better products, and the world would never progressed as rapidly. Competition is an intrinsic force we as humans are born with, whereas some are more competitive than others. Nevertheless, if a company totally ignores their competitors and lives in a “closed bubble” not caring about what their competitors are doing, they are doomed to fail (Collins & Hansen, 2011). The reason behind this, is as simple as the idea that new entrants and already established competitors will develop new and better products and solutions, which in turn might and likely will beat out the company with no intentions of challenging its competitors and become even stronger and even better (Christensen & Raynor, 2013).

But what if the new entrants to the market are so strong that they are unbeatable and create such an innovative idea that they directly disrupt companies operating within a concerned industry? They are literally so powerful that well established companies will have to just accept and adapt to their sudden position in their market, just think of how Apple iPhone changed people’s mobile phone preferences. This is according to Christensen & Bower (1995) called disruptive technologies. The disruptive technologies might have the power to totally restructure the entire market, or become a huge competitor for the established companies offering smarter, easier, cheaper and more innovative solutions to consumers. So what are the incumbents that are possibly facing disruption from new entrants doing in order to prevent a future collapse and to strengthen their market position in times of ambiguity?
1.1.1 The Sharing Economy

Today people have the chance to share almost everything with one another through the World Wide Web. People share clothes for special occasions, tools, cars, services or, as this thesis will focus on, accommodation, to mention a few. Forbes states, “the purpose of the sharing economy is to empower individuals, corporations, nonprofit organizations, etc. with information, enabling them to distribute, share, and reuse excess goods and services” (Forbes, 2014b). Besides being friendlier to the environment, it also enables people to save money, earn money and it has established new types of customer preferences and user patterns in the entire world.

As a consequence of the sharing economy and Web 2.0, many innovators have seized the opportunity and created online platforms enabling peer-to-peer sharing of basic goods and services that solely have belonged to incumbents, further referred to as business as usual companies (BAU), in various industries (O'Reilly T., 2007; Zervas & Byers, 2015; Guttentag, 2013). Some of these new business models have contributed to reinvent and change industries and in certain cases pose a disruptive effect on companies belonging to the industry. Thus it becomes important for BAU companies to take action to maintain a strong market position.

One of the greatest innovations following the sharing economy is Airbnb. In 2013 Venture burn claimed, “If you don’t know Airbnb, then you probably haven’t travelled much. Airbnb is the largest online marketplace to list and rent holiday homes and rooms around the world... To date, the San Francisco startup has over 500 000” (Ventureburn, 2013). In the beginning of 2015, at the time this thesis was conceived, Airbnb had approximately 1 000 000 listings (Airbnb, 2015a). As of August 2015, Airbnb has 1 500 000 listings (Airbnb, 2015b). According to Brian Chesky, “The sharing economy is the world we used to live in, before the industrial revolution took over, and I believe it is the next economic revolution” (Channelnewsasia, 2014). Several scholars have stressed the topic of how the economy leaned more towards a sharing economy in the past, among them Black (1985). Furthermore, Guttentag (2013) mentioned how we are leaning more towards a sharing economy in the future, in agreement with what Chesky claims. Hence, with the sharing economy in mind, Airbnb have developed a technology that is disruptive to the hospitality industry, which is the focus of this thesis.

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1 Web 2.0 is the internet technologies that emerged in the middle of the twentieth century, that enabled users to generate content published and interact on websites, e.g. Facebook profile (Guttentag, 2013; O'Reilly T., 2007)
1.1.2 Readiness to Face Disruption
Lewin (1951) developed a three-stage model that describes the process of change. The three steps are unfreeze – change – refreeze, where unfreeze refers to the first stage of a change process, that involves preparing the organization to accept that a change is necessary. Change refers to the stage of a change process where the actors start to resolve their uncertainty and looks for alternative opportunities. Lastly, refreeze refers to the stage of a change process where the new ways of working has been embraced and the organization is ready to “refreeze”. This thesis does not adhere to Lewin’s three-stage model. Rather, this thesis takes one step back and investigates what is going on prior to Lewin’s three steps, before a change process is initiated.

Therefore, in this thesis I seek to explore the organizational readiness in companies facing potential challenges and competition from disruptive technologies. Accordingly, I will apply sensemaking as the fundamental theory to investigate readiness in BAU companies. Therefore the underlying focus in this thesis is to understand how actors perceive disruptive technologies and how they make sense of it. In order to investigate the phenomenon, the sensemaking theoretical framework by Hernes, Hendrup & Schäffner (2015), which is an extension of Sensemaking by Weick (1995) will form the first part of the theoretical framework of this thesis. The greatest contribution by Hernes et al. (2015) is the inclusion of narratives in the sensemaking process and how narratives may trigger change and constitute forces of change. This becomes important in assessing readiness to a potential change forced by the sharing economy and disruptive technologies. Therefore, the thesis seeks to explore different underlying narratives, how actors commit to the company and these narratives and how actors interact.

In order to investigate the phenomenon, the chosen methodological approach is an ethnographic study, taking place over a period of three months where I functioned as a normal employee something that enabled me to observe different kinds of actors and events, e.g. how a new employee perceived the company, how people that had been employed by the company for decades understood the technological development, etc.

With Airbnb in mind as one of the most dominant and fastest growing disruptive technologies of this century (Forbes, 2014a), I decided to focus on the hospitality industry, where I was lucky to work almost full-time at one of the larger hotels in Scandinavia during the three months. Airbnb is not the only disruptive technology the hospitality is exposed to. Over the years, the online travel
agency Expedia has taken shares of the hotels booking income. Today Expedia is a great marketing source and way to reach customers, but at the same time Expedia takes high commission per booking. Even though this thesis is narrowed down to the hospitality industry, it is meant as an overall study of companies facing similar challenges from disruptive technologies.

To explore the phenomenon one of the larger Radisson Blu (RB) hotels in Scandinavia accepted my request to conduct the study. As a former RB employee, it was easy to immerse myself in the field. By working as a receptionist for three months, I had access to several sorts of actors with a relation to RB. The interactions with employees, customers and senior management, enabled me to gain insights to how different actors made sense of the phenomenon.

1.2 Research Area and Purpose of Research

1.2.1 Research Question
With the purpose of guiding the aforementioned topic, the following research question will be the question of investigation leading the thesis:

How do actors make sense of the emergence of disruptive technologies?

1.2.1.1 Sub-questions
In addition to the research question, the following sub-questions will be addressed:

1) How does RB anticipate changes in the hospitality industry?

2) What is the role of sensemaking in the establishment of organizational readiness?

3) How may organizational learning contribute to amplify sensemaking theory?
1.2.2 Explanation of the research question
By focusing on how actors with relation to RB make sense of the emergence of disruptive technologies, I set out to assess how different actors with a relation to RB create meaning around the phenomena; if there are different trends and patterns in their stories and how committed they are in all this. The world is rapidly changing and many industries are revolutionized because of technological development and innovation. Therefore it is interesting to determine how actors up in all this actually perceive it, understand it and hence make sense of it. Moreover, commitment becomes important, because it is not enough for actors to perceive the need for change; they also need to commit to a process of change (Hernes et al., 2015).

In the research question I use the term “make sense” to guide my question. The term stems from the theoretical concept of sensemaking introduced by Weick (1993). Further on, I use the term “disruptive technologies” which was introduced by Bower & Christensen (1995)

1.3 Background and Motivation
My eagerness to investigate the impact disruptive technologies have on BAU companies emerged during my master exchange to University of Sydney in 2014. Prior to the exchange I only stayed at hotels when I was out travelling and my sources of transportation were bus and taxi. As soon as I arrived in Sydney and met new people I was introduced to Airbnb and Uber. Airbnb is platform offering peer-to-peer accommodation and Uber offers peer-to-peer transportation, both cheaper than what the hotels and taxis can offer for the same service (e.g. a taxi from Sydney Opera House to my apartment in Sydney was approximately $40AUD, while a Uber was $18AUD for the same route, and the Uber car was much nicer). Several of the people I met only used these alternatives and I was fascinated by how passionate they were about this new sharing trend. I therefore decided to try it myself and I have now tried Airbnb in Australia, New Zealand, Singapore, France, Sweden, Denmark and Norway, each time with a whole apartment, and the price have been approximately 60 euros. The personal service, the easy check in and out process and the access to all you need has triggered me to engage in this study. Additionally, I have always found companies that earn money on other companies’ behalf interesting. Therefore, I use Expedia as a supporting case, because Expedia for several years have been categorized as disruptive, especially to the travel agency industry and also the hospitality industry.
The lack of focus in proposed theory of readiness to meet an ambiguous future, which is the case for BAU companies with the emergence of disruptive technologies led to my inspiration to contribute with additional investigations in this field. Inspired by Hernes et al. (2015), March & Olsen (1975) and Weiner (2009) I wish to understand readiness in a BAU company facing disruptive technologies applying sensemaking and learning theory.

1.4 Selection of the Case Company
There are three reasons behind the choice of using RB as case company. First, I was employed at RB one year before conducting the study. During this year I got to know the company and employees quite well, which I saw as an advantage for conducting an ethnographic study.

Second, RB is a chain company operating in a huge industry that has been fairly stable over the years. Their largest competition for decades has been emergence of other hotels, hostels, etc. Nevertheless, other disruptive technologies are now emerging and it is interesting to consider how a major actor in the industry perceives this.

Third, RB operates in an industry facing a similar future as other industries such as the taxi industry with Uber as new type of competitor. Hence, it opens up for investigation of the future of what we until now have considered stable industries, but what might face a greater pressure from emerging disruptive technologies now and in the future. For example, the industries offering some of the most basic “products”, that has been the same as long as we can remember e.g. taxi industry, hospitality industry and car rental (Economist, 2015).

1.5 Aim/Scope
By conducting a qualitative ethnographic research, my aim is to contribute to already existing theories of sensemaking, organizational learning and readiness. Reeves et al. define ethnography as “the study of social interactions, behaviors, and perceptions that occur within groups, teams, organizations, and communities” (2008, p. 512). Hence, through close interaction with actors playing a role in RB, I aim to examine how they make sense of the technological development in the world, with a focus on the emergence of disruptive technologies created to make better and easier solutions for the customers, but end up disrupting established companies. In order to study the phenomenon, a theoretical framework on readiness will be suggested and tested in the field. The framework is solely based on sensemaking and learning and is suggested as a framework of evaluating and establishing readiness.
1.6 Thesis Outline
Below is a figure of the structure of the thesis, which includes the main sections in each chapter. It is provided for the reader in order to get an easier overview of the content.

Figure 1: Thesis outline
2. Methodology

This chapter is focused on how and why the research has been conducted. This will take place through a description of research design & strategy and data collection.

2.1 Research Design & Strategy

2.1.1 Analytical and Empirical Contributions

This research should be considered as an ethnographic case study, where I apply sensemaking as the main theory in order to find some answers related to the study, namely how actors make sense of emerging disruptive technologies and how a company can establish readiness to face them.

2.1.2 Abductive Reasoning

"The link between theory and research is by no means a straightforward matter" (Bryman & Bell, 2011, p. 7). In other words, there is usually no linear relationship between theory and research. Therefore, it is important to choose reasoning related to the link between the theory and empirical data. This requires the researcher, in this case me, to find the best way to work towards a result that is guided by the sufficient amount of theory and data required for this study. According to Bryman & Bell (2011) the two most known approaches related to the link between theory and research is deductive and inductive reasoning. These two reasonings stem from the founder of pragmatism, Charles Sanders Pierce. Pierce (1974) suggested a third reasoning; the abduction. The deductive approach means that the theory guides the research and is often referred to as a top-down approach. The inductive approach on the other hand is that theory is an outcome of research. The abductive however, has been referred to as the logic of what might be, because the researcher comes up with possible solutions, hypotheses, etc. derived from a self-made problem statement, a challenge or an intrinsic urge to solve something (Martin, 2009). Lundberg (2000) refers to this as the process of searching for a set of assumptions that can prove a given observation. According to Hernes et al. (2015) abduction is based on the idea that social science does not provide validated truths, but instead offers connections and relationships that may change as the research proceeds. It also involves inquiry and testing of concepts on a recursive basis. Therefore, the methodological approach in this thesis can be associated with abduction.

As a point of departure, I created a research question and selected a theoretical framework both guiding my ethnographic field study and analysis. As the process went on, I kept an open mind, trying to understand what is going on. If new and interesting additions that were not yet
acknowledged by myself beforehand emerged from the field study, these were considered. Below I have created a reconstruction on my way of conducting the study and how I have been linking theory and data consistent with the abductive reasoning process. As one can see, this approach is an ongoing process where I, in the beginning, had a goal or a vision of what I would like my study to look like which led me to find a case company. Further on I started reading journals, books, online newspapers, company homepages, etc., from which I later created a theoretical framework, based on what I personally found intriguing and suitable for my research goal. Thereafter the fieldwork began, where I participated as a normal employee in the every-day life of the organization. While participating I actively observed what was going on. During this process, writing notes became essential. In total, I took approximately 18 pages of digital and handwritten notes. I also often noted intriguing observations in my RB email and sent them to myself. Besides writing notes, I began to write down my thoughts and reflections in relate to the theoretical perspective of the study. In order to reinforce my study, I constantly interacted with my colleagues and this process kept going until my analysis was done. I continued to reconsider my goals, theories and constantly read as much as possible to find useful sources that could be of interest for my field of study.

Figure 2. Reconstruction of methodological approach – linking theory and data.

2.3 Data Collection

2.3.1 A Qualitative Research
In order to investigate the topic of this paper, a qualitative research design has been chosen. The reason for this is because it is meaningful to collect qualitative data on the research topic and because it would be difficult to find enough relevant data on it for a qualitative research. A
qualitative research can be structured in a lot of different ways; e.g. one on one in-depth interviews, focus groups, diaries and observations (Bryman & Bell, 2015). Some of them might be conducted through Internet e.g. Skype and email, while other types require physical presence. My thesis consists of a composition of observation (field-study), documents, conversations and email interviews. I have chosen to take advantage of several methods to collect data, in order to gather as much as possible within the timeframe and I hope this will give me a deeper understanding of the case I am studying. The observation is chosen to gain more understanding of how actors with a relation to the company perceive and make sense of the new disruptive technologies surrounding them. Actors are divided into three groups: management, employees and guests. The most emphasis is placed on primary data sources, but I will also use some secondary data to support my arguments.

2.3.2 An Ethnographic Study
Consistent with the theoretical aspect of this study, the data collection has involved ethnographic techniques. According to O’Reilly “ethnographic research properly begins once one has entered the field. This involves gaining access to the people and places being studied” (2009, p. 5). I immediately dived in to the research the first day in the field and below is an explanation of how it began:

“Good evening Sir, checking in?” This day I showed up 15 minutes early to work in order to prepare myself for the coming 9 hours of being on top of my game and to convert myself in to a service minded “yes-man” after a full day of schoolwork. It had been approximately a year since last time I had worked. Before I even said good evening to the manager at work, I was told to hurry up and go out in the reception to help the around 100 guests waiting in line to check in, as a group of frustrated travelers was sent to our hotel due to a delayed flight en route Chicago. I had been to the gym before work, so my body temperature was at its highest, and there I stood, checking in grumpy unforeseen guests that were coming to the hotel because of a re-scheduled flight, sweating through my uniform and not really ready for what was happening. After 20 minutes and 60 check in of unsatisfied “irregulars”, I was able to take a deep breath, open my cashier and start my shift – another story in it self. I finally said hello to my fellow colleagues, and wiped my face with a napkin. This was one of many events in my field study at RB, where I participated as an employee over a period of time in order to conduct my study of how actors make sense of disruptive technologies. Episodes like the one just introduced make the employees engage in interesting
conversations afterwards and in these and other situations I seized the opportunity to bring up my topic of interest.

By using ethnography as a method I have gained insight to real-world ways of looking at a problem and opportunities. Besides of this, it contributes to apply cultural and social understanding to the concerning topic (Johnston, 2009). This means that I will be able to observe what is actually going on over a longer period of time in contrast with other types of qualitative research. According to the whitepaper by Johnston (2009), there are some major differences that distinguish ethnography from other qualitative approaches of research. Three prominent distinctions are listed in the following with examples of how my research correspond to each of the three points:

1. Ethnography provides an opportunity to find out what people actually say and do. By close interactions with actors in RB in an everyday setting, ethnography enabled me to closely observe what actors said and did over a longer period of time.

2. Ethnography takes place within a natural setting where relevant events and behaviors occur. “The first is that ethnographic sampling includes contexts as well as people. The second is that the amount of time spent with an individual or group is dependent on the nature of the problem...The bottom line is that ethnographers try to plan their fieldwork to include observation of all relevant behaviors and events” (Johnston, 2009, p. 2). By planning my own work schedule, I was able to work with and observe a lot of different actors during different work hours. Additionally I focused on some selected actors, which enabled me to observe development of thoughts and reflections.

3. Ethnographic inquiry is participant-driven rather than research-driven. “Ethnographic research involves an inductive process of data collection and analysis that turns more traditional market research on its head, by treating the participant as the expert on the topic of interest. An ethnographer allows participants to direct the course of events and conversation, defining what is important to them” (Johnston, 2009, p. 2). In consistency with Johnston (2009), the actors guided this research. Managers and employees are the experts in what is going on in RB and were useful to study in order to find narratives in RB. The customers on the other hand, were useful actors to observe and listen to in order to understand and find the external narrative in the hospitality industry.
Taken Johnston’s (2009) distinctions into consideration, ethnographic study provides me with great opportunities to embed and deep dive into a more unified understanding of trends, patterns and cultural dimensions in an organization taking part of a larger society in flux.

2.3.3 Presentation of Self
According to O’Reilly (2009) an ethnographer has to think about how to present his or her ideas on the topic, as this will affect the quality of access to others. This is because “knowing too much foreclose in-depth conversations; knowing too little can appear rude and disinterested” (p.11). In the beginning of the field study, with this in mind, I often started the conversations by introducing them to my study, in order to pre-empt them about all my curious questions. Nevertheless, I participated as a normal employee throughout the whole process to blend in with the environment, and all my coworkers responded to me without questioning my presence. Most of them probably forgot about the fact that I was conducting a study after a day. Some paid more attention to it and found it very interesting and wanted to contribute more actively, by telling me their thoughts every time new thoughts came to their mind.

2.3.4 Choosing a Role
According to Gold (1958) there are four classifications regarding roles of participant observer roles. These roles are complete participant, participant-as-observer, observer-as-participant and complete observer in which the first has a high involvement, while it gradually goes to being fully detachment in the last role. According to Bryman & Bell (2007) ethnographers have tended to adopt the aforementioned roles. As a former RB employee I was lucky to gain access to the field. Previously, I was working as a Night Service Manager, which in it self could be an interesting role to play in another research. Nevertheless, I found it better to work as a Receptionist in this occasion, because this gave me access to more participants and conversations at all type of shifts including morning, afternoon and night. Thus I played the role Gold (1958) refers to as complete participant, hence a high level of involvement in the field.

2.3.4.1 Juggling multiple roles
Similar to Chen (2009), I was aware of my role as researcher, member and individual. By keeping it in mind at any point of time, this made me more objective to the organization. This means that I often initiated conversations pointing in direction of my research to talkative guests and employees. It sometimes limited my activities in cases where something unexpected happened, in these cases I took one step back and observed how other employees dealt with the situations.
2.3.5 Choosing the Participants
According to Lodico et al. (2010) selection of participants often occur in multiple stages and this may occur spontaneously. For instance in ethnographic studies, one must select a setting to study and then select the appropriate participants. By being part of the usual workday, I met people from all different departments, e.g. housekeeping, kitchen, bar, security, upper management, accounting, IT, reception, concierge, casino, conference and maintenance. Hence, in order to gain as much insight as possible, I scheduled my workdays in order to work with many different employees. Additionally, I selected out a few employees that I found interesting to study, which I decided to pay more attention to and have more shifts with. Among them was a lady that had worked at RB for more than 20 years. Close interactions with her enabled me to learn from her experience, understand how she perceived the technological changes in the industry and observe how she have set in her ways. In addition I also had the chance to take part in first hand training of a new employee that I had recommended for the job myself. After teaching her the standard procedures, I got a chance to take one step back and solely observe guests and her interactions with guests. It also gave me a chance to follow a process of how someone totally new to the hospitality industry perceived it and became committed to it. Through so-called “trial and error learning”, guiding, and two-way communication, she provided me with necessary data for the research as I could take one step back and observe how new employees at RB perceived the routines and the entire RB culture.

2.3.6 Collecting the data
The data was collected over a period of 3 months from the middle of March to middle of June. Approximately 300 hours was spent in the field. I conducted five e-mail interviews with respondents that became more difficult to arrange meetings with. Among them were three managers from the hotel, one former employee now working for the top management of another RB hotel and one of the Airbnb employees in the Scandinavian team on approval from their communication manager. Despite e-mail interview being less personal and more difficult to ask follow-up questions that arose from the response, the correspondents’ answers were thorough, precise and useful. Some of the documents I investigated were highly confidential such as parts of the customer satisfaction measurement reports and will therefore not be submitted. However, I will mention a few comments from the customer feedback that I found interesting.

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2 Employees further explained in section 5.2.2.
**Table**

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<th>Data types</th>
<th>Data amount</th>
<th>Data description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnographic fieldwork</td>
<td>Approximately 300 hours</td>
<td>Two to five days of 8-16hrs shifts over approximately 3 months. Observation of employees and customers during different shifts, i.e. morning, day, evening, night. Employees studied by small talks during lunch, in front of elevator, etc., and work related interactions. Customers studied through interaction in the reception, e.g. during check in and out, other inquires, small talk, etc.</td>
</tr>
<tr>
<td>Qualitative e-mail interviews</td>
<td>Approximately 2 pages with questions and answers per Interviewee</td>
<td>Five e-mail interviews. Three with managers, one with Airbnb employee and one with a former employee, now manager at a new RB hotel.</td>
</tr>
<tr>
<td>Corporate Presentations</td>
<td>Approximately 240 pages</td>
<td>Welcome letter to new employees from CEO, check list, Yes I Can! materials, customer satisfaction measurement reports, guide to guest satisfaction system.</td>
</tr>
</tbody>
</table>

However, the primary source in an ethnographic study is the researcher (Hoey, 2014), in this case me.

**2.3.6.1 Gaining access to the data**

“One of the key and yet most difficult steps in ethnography is gaining access to a social setting that is relevant to the research problem in which you are interested “ (Bryman & Bell, 2015, p. 448). My approval to conduct a study at RB went smoothly and the Front Office Manager (FOM), who was my contact person, was very helpful in the beginning. Nevertheless, to get in touch with other managers at the corporate level became more of a hassle than I had initially expected. For instance, in order to get in touch with the Director of Sales (DOS) and the Global Sales Manager (GSM) I had to do FOM a favor including “selling” a certain amount of Club Carlson Memberships. As soon as I got in touch with DOS it was an endless struggle to arrange a short talk, even though both of us often spent 8 hours at the same hotel several days a week. The same was the case with the GSM, who expressed interest from the very first day of interaction, but answered his email every third week. I even contacted one of my former colleagues in the reception now working in the sales department both on email and Facebook without response. The General Manager had also agreed that I could conduct the study, but at the point of time I started the research, the General Manager
had been replaced. The new General Manager never responded to my emails. Despite some lack of commitment to this study among managers, I ended up speaking with a large group of actors including managers, employees and guests. Among the managers and employees I interacted with throughout the study, some selected actors will be presented in section 5.2.

2.3.6.2 Understanding practices by the participants
This research properly began when RB accepted my request to conduct a study and one of the managers failed to see how Airbnb could possess any threat to the hospitality industry. With this as my first intriguing finding, I was ready for three months in the field. The study has heavily been based on observations seeking to understand everyday activities among actors with a relation to RB, supported by informal conversations with managers, small talk with various actors and collection of documents of interest related to the study. In order to understand the practices by the participants, or actors, the goal was to get as close to the activities of them as possible (Kaplan, 2011). With this as an aim, I prepared myself psychologically to keep a researcher’s mentality and a worker’s behavior in mind at any point of time throughout the time in the field.

2.3.6.2.1 Approaching the customers
I studied the guests by carefully listening to their conversations, observe their behavior and interaction with other employees, and carefully asking them questions regarding for example how they book, why they choose RB, if they have tried Airbnb, etc. I often began by telling the guest that I am a foreigner myself as this always gave me more attention from the guest leading them to ask me what I am doing in this country. Sometimes I told them that I am doing a research and immediately asked them about their perception of Airbnb, how they do their bookings, how they believed the hospitality industry would look like in the future, etc. Other times I began approaching this topic if for instance the printer did not work and they had to wait. I then said something like “this is 2015, should not we be able to just scan our phone instead of filling out sheets manually?” When they answered I asked the guests “so what do you think Hotels will look like in 10 years with this technological development we have seen over the years?” Of course I had to lead up to this questions and consider how appropriate it was, as some of the guests might be offended if you speak more than necessary.

2.3.6.2.2 Approaching the employees
I studied the employees on the other hand by observing how they communicate, how people solve problems together, how engaged they were and by focusing on the concept of commitment. As I was employed at the same time, I had the opportunity to interact with them and observe how they
were committed to their job, and at the same time small talk and have greater conversations with groups and single individuals during lunch etc. Apart from studying their behavior, their cognitive and affective aspects can often be as apparent from what they imply and indicate.

I seized every opportunity I got to talk with colleagues, where I raised thoughtful questions leading them to talk about several issues I observed. These informal conversations often took place during lunch and when it was quiet in the reception and front office. It also took place through small talk in front of the elevator, before and after shifts and in-between servicing customers. As important was the everyday interaction with my colleagues during stressful events. Some days were so hectic that we barely had time to hold conversations. These days happened to be the days where I extracted a major part of the collected data. As a result of high guest activity, my colleagues constantly interacted with both satisfied and unsatisfied guests, which often led to a high intensity of interaction between the employees, often through body language, comments and by helping or not helping each other in difficult or unpleasant situations. These events, often became my “point of departure” for new small talk with the concerning participants.

2.3.6.2.2.1 Repeated observations
In order to observe different employees I scheduled my work plan differently from week to week and month to month. Therefore I varied work between morning, day, evening and night shifts. As I constantly interacted with different employees it often became hard to re-enter the conversations. Nevertheless, after a certain amount of time I began to see patterns in the employees’ meaning making.

2.3.6.2.2 Revealing identities and names
To make participants speak freely, I agreed to use titles and keep names unspecified. I also decided to not reveal the specific RB hotel, instead present it as one of the RB hotels in Scandinavia. Thus actors felt much more comfortable and opened up. Additionally, it enabled me to ask guests more open and direct questions as it became harmless for all parties involved.

2.3.6.2.3 Combining Traditional and Modern Techniques
Ethnographic techniques stem from anthropology and have primarily entailed the researcher being physically immersed in the field (Kaplan, 2011). The idea of being in the field today has gradually changed, as technologies have brought in new ways of communicating, hence ethnography is going in the state of becoming “virtual” (Kaplan, 2011; Hine, 2000). With this I also take use of modern communication technologies. Beside physical interaction and observation of actors, interaction with
actors took place through e-mail and telephone. The combination of traditional and modern techniques has provided me with interesting and insightful information. The chance to study this topic as an ethnographer has uncovered intriguing new questions for me, e.g. what roles stakeholders play in sensemaking, and helped me to get a more holistic insight to the very topic.
3. Theoretical Framework
This chapter presents the theoretical framework guiding both the investigation in the ethnographic fieldwork and the analysis. As mentioned before this research aims to gain insight into how organizational actors make sense of the evolving competition from disruptive technologies. Therefore, in the following, the well-discussed concept of sensemaking introduced by Weick (1995), with a focus on the sensemaking process by Hernes et al. (2015), will be described. Additionally, in order to explain certain phenomena’s observed during the field study I found it necessary to bring in two supplementing theoretical concepts; organizational readiness by Weiner (2009) and organizational learning by March & Olsen (1975).

3.1 Sensemaking
The basic idea of sensemaking is that reality is an ongoing accomplishment that emerges from efforts to create order and make retrospective sense of what actually occurs (Weick, 1993). This again involves turning circumstances into a situation that is comprehended explicitly in works and that serves as a springboard into action (Weick & Sutcliffe, 2005) According to Weick (1995) sensemaking is about “the ways people generate what they later interpret” (Weick, 1995, p. 13). Meaning that sensemaking is not the same as interpretation, as sensemaking is what happens before the interpretation stage. Weick et al. (2005) also suggest that sensemaking is a way to arrive at labels, acts or stories that serve to provisionally organize the flux that actors find themselves in. Hence, ”sensemaking enables understanding of ongoing change processes, precisely because it does not begin de nuovo” (Hernes et al., 2015, p.2). Weick et al. claim that sensemaking “occurs amidst a stream of potential antecedents and consequences”(2005, p.411). This means that it is neither a beginning nor an end in sensemaking, but rather a repetitive and ongoing process of making sense by understanding what is going on, hence, how groups of people arrive at socially committed explanations of what is happening. This enables organizational leaders to understand the unknown in their environment so that they can respond to this, something Weick refers to as structure the unknown so as to be able to act in it (Weick, 1995). In order to understand the sensemaking process for people, Weick (1995) introduced seven characteristics that separates sensemaking from other processes such as interpretation. These characteristics are referred to as Weick’s seven properties. The properties are identity, retrospective, enactment, social, ongoing, cues and plausibility.
3.1.1 The Sensemaking Process
In order to better understand the series of actions taken in RB, Weick (2001) provides a sensemaking process as it moves between individual and group levels (Hernes, 2014). As mentioned above, sensemaking is an ongoing process, so it is not necessarily ordered chronologically as it is not a start, nor an end to sensemaking processes (Weick, 1995). The sensemaking process provided by Weick (ibid.) is well explained by Hernes (2014): “The first element (‘the first’ does not imply chronological order, as sensemaking processes never starts and never ends (Weick, 1995)) of the process is that of actions (or acts), which, unless the process stops with the individual act, creates inter-acts, assuming that more people are involved and respond. (...) Weick sees interactions as engendering social commitment to what is going on (several acts create implicit commitment to continue acting in accordance with inter-acts), for example by repeating a customary greeting or carrying on a discussion. Finally ‘committed interpretation’ takes place as the justification of actions and their meaning.” (Hernes, 2014, p. 25). This means that sensemaking is a process building on acts, inter-acts, social commitment and committed interpretations, where this is a continuous process and it is not necessarily following that order. All the building blocks in the sensemaking process will be elaborated further below.

The emergence of interaction and commitment is referred to as collective sensemaking (Weick, 2001). Collective sensemaking can contribute to varied perspectives and cognitive attributes on addressed or unaddressed issues or problems when several people are gathered. Therefore, the sensemaking processes, in conjunction with organizational learning and readiness, forms a framework of how companies can be prepared for an ambiguous future. This case differs slightly from the majority of studies within sensemaking, as sensemaking often is applied during or after a change. Nonetheless, as I will show later in this thesis, it is proposed that sensemaking is also applicable prior to change and a useful tool for designing collective preparedness within an organization.

Building on the sensemaking process by Weick (1995) explained above and what Weick (1995) refers to as action-driven process of sensemaking, Hernes, Hendrup & Schäffner (2015) have developed an analytical framework for sensemaking during change. While Hernes et al. (2015) focus on a change process, this study does not focus on a change process per se, and differs from Hernes et al. (2015) by focusing is on how RB relate to a possible change process that is triggered by Airbnb. Therefore my study considers the establishment of organizational readiness to face and
adapt to competition from new innovative companies called disruptive technologies. To study this phenomenon the sensemaking process that will be outlined below will be applied to understand how actors make sense of it. Application of sensemaking prior to the actual change may contribute to easing the change process.

The most notable contribution to the action-driven sensemaking process by Weick (1995) made by Hernes et al. (2015) is the narratives and the separation between types of commitment. Narratives are in this case seen as the key drivers of sensemaking processes as this serves as ‘constantly evolving repositories of acts’. According to the framework by Hernes et al. (2015), sensemaking takes place through interacts, which sets the stage for further interactions and the creation of narratives. Narratives in turn engender social commitment and interpretative commitment to the change process, while setting the stage for new interacts. In order to get a more holistic understanding of this framework I will now go deeper into each of the elements.

![Analytical framework for sensemaking during change - Hernes et al. (2015)](image)

**Figure 4.** Analytical framework for sensemaking during change - Hernes et al. (2015)

### 3.1.1.1 Interacts
Interacts are as mentioned above created by acts, and evolve from individual acts which might in turn be verbal or non-verbal (Hernes et al., 2015). According to Weick, as people respond to one another’s act, patterns of interacts are created (Hernes et al., 2015; Weick, 1993). This means that interacts begin with a single act or a series of acts from a person initiates involvement of others and hence constitute interacts between two or more people. Interacts in an organization can be of the kind that socially influence a person, such as conversations, discourse and talk. Anyway, it can also be through shared meanings to be found in an organization (Weick, 1995). Analyzing sensemaking on an individual level is possible, but sensemaking is a social process. By ignoring interacts between people, important aspects risk being left out. People are members of groups with shared
languages and they interact with one another both verbally and non-verbally. Within an organization ‘different languages’ can exist, depending on for instance the division between departments. This can be noticed through for instance how people behave towards each other and how one department may be characterized with i.e. more loose conversations than another. The organization can also have a more underlying ‘language’ from which meanings that are understood by the entire organization arise.

3.1.1.2 Patterns of Interacts
Hernes et al. (2015) suggest that interacts may be developed into recognizable patterns of interacts. An event suggested is a meeting that is characterized by certain patterns of interacts, or series of situations, for instance in the case of RB, when patterns of interacts are created after a repetitive interact between employee and guest. These patterns of interacts and the predispositions related to them may according to Hernes et al. (2015) become habitual, which in turn creates expectations of those patterns being continued. Reciprocal obligations between the actors is engendered to the process of interacts, and this forms the basis for future interacts.

Obligations between actors constitute different kind of commitments and as an important part of the framework for both Weick (1995) and Hernes et al. (2015) commitment will now be further explained.

3.1.1.3 Commitment
When people engage in shared activities commitment to the process of inter-acting is often created. There are several types of commitment and the way people commit can be different depending on a huge array of factors. Whether you are organized in a sport club, student at a University or employed in an organization, it can be assessed that an individual, in some way, is committed. E.g. students enrolled in a university course have created some sense of commitment with the Professor. First of all they have enrolled in a course, which might have attendance, mandatory assignments, exams, etc. This means that they are committed to do their assigned work in order to pass the course. Nevertheless, some of the students might engage more in the course than others, and constantly interact with both other enrolled participants and with the professor. This creates a stronger commitment between the enrolled student and the course, but also the enrolled student and the professor, as the professor often mutually get more committed to the course when participants are interactive.

While Hernes et al. (2015) focuses on the formal organization i.e. commitment by actors in the
organization, this thesis also explores stakeholders’ commitment, with a focus on customers, as this may be considered a missing link in their suggested sensemaking process. Therefore, the analysis will explore if organizational learning (March & Olsen, 1975) may contribute to reinforce the current sensemaking process.

3.1.1.3.1 Two types commitment
Hernes et al. (2015) distinguish between two different forms of commitment in their analysis. These are social commitment and committed interpretation.

3.1.1.3.1.1 Social
Social commitment is related to as the type of commitment that ties the narrative through socially binding interacts. When interacts takes place and patterns in these interacts begin to take form, the identity of the social group is articulated and social commitment is reinforced (Hernes et al., 2015). Hence, the actors feel more tied to the change process via their commitment to the group.

3.1.1.3.1.2 Interpretative
Committed interpretation on the other hand, signifies commitment to a more underlying idea of the change. This type of commitment does not necessarily require that actors have a strong social commitment to one another. An example could be online groups, where people commit to the group as they find them interesting, not because they are socially committed to the group. Nevertheless, after some time groups experience repeated interacts around what Hernes et al. (2015) call the same idea of the change process, where people begin to find themselves in a social entity by being involved in the same idea, hence they might develop a strong social commitment to this group.

3.1.1.3.2 Analytically distinct - yet entangled
The two types of commitment are analytically distinct, nevertheless in practice they may be more closely entangled to one another. This means that social commitment in practice can have an impact on the committed interpretation and the other way around. The ways in which social commitment can have an influence on committed interpretation can occur when a group of socially committed members can influence one another to find special events interesting. Committed interpretation on the other hand may have an impact on the social commitment in the way actors sharing the same idea about a topic interact over and over again until these interacts creates social commitment to the group.

3.1.1.4 Narratives
The last component in the framework from Hernes et al. (2015) is narratives. The way narratives
are interlinked with the other components in the framework is linked with how interacts between people are involved in producing and reproducing narratives. “As narratives become locally stabilized, they influence directly interacts that go on between people and become important ingredients of their interactional order” (Hernes et al., 2015, p.11), i.e. narratives have a direct influence on the interacts among actors. The interacts on the other hand does not have a direct influence on the narratives, this happens through different patterns of interacts and the commitment. While Hernes et al. (2015) refer to narratives in relation to change, this thesis explores the nature of narratives, as no specific change process is being studied, i.e. I will investigate different narratives among actors and the effect of them through the sensemaking process.

3.1.1.4.1 Narratives and sensemaking
Narratives in organizations and in relation to sensemaking have also been discussed by other scholars such as Brown, Stacey and Nandhakumar “An understanding that sensemaking involves processes of narrativization (narrative-making) permits nuanced investigation of the extent to which individuals in a work team agree, share, disagree and contest understandings. Our argument that sensemaking is a narrative process is predicated on the view that ‘man is in his actions and practice, as well as his fictions, essentially a story-telling animal’” (2008, p.1039). Despite the fact that Weick (1995) excludes narratives from his framework, Hernes et al. (2015) suggest that the idea of micro stability presented by Weick, is about creating micro stability around change, and that micro stability is constituted by the narratives, “these are sustained by the commitment created through acts and interacts” (Hernes et al., 2015, p.11). The narratives are further related to the question “what is going on here?” Reflecting upon this, narratives function as a way of creating meaning and tying the meanings together. The narratives help actors to understand and to guide further acts and all this are related to the previous acts and the established commitment.

3.1.1.4.2 Three Characteristics of Narratives
Besides the process of making sense of the organization, collective narratives become important in order to enable people to make sense of the key actors and critical events during periods of change (Hernes et al., 2015). In the framework, Søderberg’s (2006) three characteristics of narratives are explained. According to Søderberg (2006) narratives have a chronological dimension, they are retrospective interpretations and they have a plot structure. Chronological dimension means that events and periods over time, and the transition between them, are portrayed. The second, retrospective interpretations, order events from the past including their “flash-backs” and “flash forwards” (Søderberg, 2006, p. 399). Lastly, the plot structure means that peoples and events are
connected to roles, e.g. heroes, helpers, opponents, etc.

3.1.1.4.3 Recurring narratives
The performance of stories is essential for members’ sensemaking in organization. This in turn involves a temporal sequencing of discursive information through their employment. (Czarniawska B., 1997). Thus, stories shapes and convey sensemaking (Colville et al., 2012). When stories are shaped and conveyed, it is edited and simplified to include what is of most interest. Similar to events one has experienced or heard about, a good story is floating around and repetitively re-articulated by several organizational members. These stories are important for the organizational actors to make sense of what has happened, what is going on and what is going to happen, all which is important questions within an organization. Despite the fact that organizational narratives can change, it will most likely be some recurring narratives attached to the organization, even with a high turnover effect. Those narratives are in my opinion also contributing to shape the organization as a whole. An example from this study was a narrative in the management, where the managers believed that by offering the best service, they would differentiate from their competitors and retain faithful guests.

3.2 Supporting Theoretical Concepts
In addition to sensemaking I found it necessary to bring in two supporting theoretical concepts to answer my research question. In this regard organizational readiness to change and organizational learning will be introduced to support the study and analysis. First, this section begins with a description of organizational readiness to explain what this essential concept means. Second, organizational learning with a focus on superstitious learning will be explained. I included organizational learning as a critique to Hernes et al.’s (2015) model, as I found the model lacking the focus on the external environment and the set of different actors. Hence, while Hernes et al. (2015) focus on the formal organization, I will also explore the role of the customers in the sensemaking process, throughout the analysis.

3.2.1 Organizational Readiness to Change
The aim of bringing in organizational readiness to this research is to explore the mobilization of readiness in an established corporation in the face of challenges from disruptive technologies. Shea et al. (2014) refer to organizational readiness as “the extent to which organizational members are psychologically and behaviorally prepared to implement organizational change” (2014, p. 2). Scholars have not discussed Sensemaking in relation to readiness, but the aforementioned definition of organizational readiness can be associated with commitment in the sensemaking process (Hernes,
et al., 2015). While commitment in the sensemaking by Hernes et al. (2015) is more micro level, the readiness commitment turn out to be more macro level with a more holistic focus, i.e. focus on getting everybody on board. According to Shea et al. (2014) organizations often fail to establish sufficient readiness to change when something new emerges and needs to be implemented. As readiness is about getting prepared, hence mobilize to a change, I find readiness intriguing because it tells us something about how the company can deal with a change. Not solely is it important to create readiness to each and every of the new implementations, as important is it to create an overall organizational readiness to face market changes and challenges, in this case in case of disruptive technologies.

According to Weiner (2009) organizational readiness is a multi-faceted construct that consists of change commitment and change efficacy. Weiner refers to change commitment as the organizational members’ shared resolve to implement change. Change efficacy on the other hand is referred to as the shared belief in their collective capability to carry this out. Organizational readiness will be applied in order to explore the collective organizational perception within RB in relate to the disruptive technologies, which I will show in the model in the end of this chapter. The ultimate aim of an organization should from my perspective be to create a high level of readiness to be meet a world in flux to create growth and become even better than the competitors. As Shea et al. (2014) have claimed “when organizational readiness is high, members are more likely to initiate change, exert greater effort, exhibit greater persistence, and display more cooperative behavior (…) Conversely, when organizational readiness is low, members are more likely to view the change as undesirable and subsequently avoid, or even resist, planning for the effort and participating in the change process” (2014, p. 2).

In relation to RB the importance of readiness is not necessarily related to a specific change that is about to be implemented. Rather, it is about creating readiness for something much bigger, an ambiguous future. As the chairman of Marriott stated about his father, the founder of Marriott Corporation in 1987 “People would always say to my father, “Gee whiz, you’ve done real well. Now you can rest.” And he would reply, “Oh, no. Got to keep going and do it better” (Collins & Porras, 2005). This is probably an embellishment of the truth, but it shows the importance of being future oriented and hence to create readiness. In the book Build to Last, Collin claims that good enough never is. Companies have to be visionary and live after the critical question “how can we do better tomorrow than we did today?” In order to do this, organizations have to step outside their
comfort zone and in relation to this constantly aim to create organizational readiness. Therefore I find this as an ongoing, repetitive process, just like the founder of Marriott said, “Got to keep going and do it better” (ibid).

In order to allow for organizational readiness, it is as important to consider the stakeholders involved with the organization and the roles they play. Sensemaking theory suggested by Weick (1995) and Hernes et al. (2015) places its emphasis on the formal organization and thus organizational actors. As a critique to the current sensemaking theory, I have chosen to bring in organizational learning, which may be found wanting, to explore how the focus on different actors and the external environment, in this case the customers may benefit sensemaking theory. By applying organizational learning in conjunction with sensemaking, interesting narratives from both the external environment and the organization may be discovered, which in turn can help the organization to initiate new sensemaking processes inspired by the external environment. Therefore the next section introduces organizational learning, whereas the focus of this section is on what March & Olsen (1975) refer to as Superstitious learning, which focuses on the connection between organizational action and environmental belief.

### 3.2.2 Organizational Learning

According to March & Olsen "Organizational intelligence, like individual intelligence, is built on two fundamental processes. The first of these is rational calculations, by which expectations about future consequences are used to choose among current alternatives. (...) The second is learning from experience. Through learning, feedback from previous experience is used to choose among present alternatives” (1975, p. 147). Even though this thesis is future oriented, by focusing on organizational readiness to an ambiguous future, focusing on the past and to learn from feedback is important to enable readiness. Therefore, I wish to test if organizational learning in conjunction with the sensemaking process is vital in order to establish readiness.

#### 3.2.2.1 Disconnections in the Learning Cycle

In order to understand organizational learning, March & Olsen (1975) introduced the complete learning cycle, stemming from the complete cycle of choice, which is illustrated below. The cycle consists of four relations or situations where ambiguity enters the learning cycle. When one of the following connections are attenuated, the learning cycle becomes incomplete (I will refer to this as disconnections) and the authors suggest the following learnings under ambiguity:
According to Starbuck (1967) the logic of organizational learning is that an action is taken and the environment reacts with some response, and further on a new action is taken reflecting on the response. March & Olsen (1975) have referred to this as a traditional, simple logic of experiential learning and the aim of their study was to examine what happens when this cycle is incomplete and companies act in conditions of ambiguity. By assessing the aforementioned four relations in the learning cycle that is impaired, March & Olsen (1975) present a set of disconnections mentioned above, where the focus of this thesis is the third relation, superstitious learning.

3.2.2.2 Superstitious Learning

As claimed by March & Olsen, superstitious learning is a situation where “individuals within an organization take action, the action produces organizational behavior, that individuals learn from the environmental response, and the subsequent action is modified in what appears to be a linear fashion. The critical feature is that the connection between organizational action and environmental response is severed” (1975, p. 159). Superstitious learning is in this thesis applied to explore if stakeholders’ sensemaking may be a missing link in the current sensemaking analysis, i.e. to challenge Hernes et al. (2015). The motivation behind this is to investigate if stakeholders’ sensemaking may contribute to reinforce the sensemaking process, by exploring the nature of narratives in the organization and the environment, and how competing narratives in this relationship may cause disconnections that prevents companies from establishing sufficient readiness.

Figure 5: Superstitious learning
4. Setting the Scene
Until now the focus has been on methodological and theoretical aspects of the study. Now I will gradually move over to introduce empirical data from the ethnographic field study before I begin the evaluation in the analysis. In order to understand the circumstances of the thesis and form an empirical framework for the analysis, this chapter provides a descriptive introduction to the case company and the disruptive technologies I have chosen to focus on. In order to distinguish two contradicting business trends, the first section will explain business as usual and introduce RB. Thereafter, the second section highlights the concept of disruptive technologies, with a presentation of two companies with a disruptive effect on the original business model in the hospitality industry. Airbnb is presented as the main disruptive technology with the highest effect on the industry, while Expedia is presented as a secondary disruptive technology that has influenced the industry over the past two decades.

4.1 Business as Usual (BAU)
According to Carroll (2012), BAU companies are those where the project delivery is not the organization’s primary aim. In this case, BAU is referred to as the standard execution of everyday operations in organizations. According to Carroll this is a contrast of programs or projects’ initiating change. As mentioned in the introduction, Godfrey (2008) points out the importance of competition as a driving force behind markets. In order to keep market position, adaption is a key factor and to keep track of the market and preferably gain an even stronger market position, changes are required. Anyway, many companies today seems to be caught up in their routines, their previous success and tend to ignore the rapidly developing world we are living in. Hence, the term BAU is applied as a contrast to the disruptive technologies, challenging the BAU companies.

4.1.1 Radisson Blu (RB)
With more than 230 hotels worldwide and as a part of the Carlson Hotel group, RB is one of the leading hoteliers in the world. According to their homepage “Radisson Blu is a sophisticated and stylish brand, with stunning design and truly innovative service concept. It offers an unforgettable, holistic experience” (Rezidor, 2015a). With this in mind they claim, “At Radisson Blu, Yes I Can! is our company's mission and a way of life which guides us to meet any challenge and identify every opportunity. Whether our guests are in Glasgow or Cape Town, Beijing or Rome, they are assured consistently excellent service.” (Radissonblu, 2015) Hence, they believe that the strong focus on service is what differentiates them from their competitor. While visiting one of the RB hotels, you will experience the employees “Yes I Can spirit” and a “100 % guest satisfaction guarantee”.
4.2 Disruptive Technologies
For many years innovative companies have created new markets with high success. While this has meant success for some industries, this has meant trouble for other industries. Manyika et al. (2013) have suggested that, in our generation the most dominant factor that has influenced, or triggered innovators to create innovative and revolutionary companies and products have been mobile Internet (ibid.). Innovators have created genuine products creating new markets and challenged other industries for centuries. E.g. back in the days it was normal to use horse and carriage for transportation. Then the more efficient car was invented and it is today one of the ubiquitous sources of transportation. Innovators like this have an intention to create a “simpler life” or simpler solutions to the people. This is of great value for the consumers, but in some cases this creates such challenges for established companies and industries that leads them to fade out. Those innovative companies that not only create a new market, but either totally restructure, steal market shares or, in worst case, take over the whole market are disrupting existing markets.

The term disruptive technologies were introduced in “Disruptive Technologies: Catching the Wave” by the Clayton Christensen in 1995 and have been applied ever since. According to Bower & Christensen (1995) these disruptive technologies can damage successful, leading and well-established BAU companies that have great research and development, and which meets the customer’s need. The degree to which a technology can disrupt a market or industry is according to Bower & Christensen (1995) not solely reliant on its radicalness, but rather on the whole product offering, where the package or performance attributes are presented in a new way. Thus with already existing products and markets, the disruptive technologies can with their enhanced technology invade these industries; “the performance attributes that existing customers do value improve at such a rapid rate that the new technology can later invade those established markets” (Bower & Christensen, 1995, p. 44)

Figure 6 is a reconstruction of Christensen’s view on how disruptive technologies enter the world and challenge established companies operating in established industries, by creating new products and markets and both challenge and eat of the established companies industries.
In this thesis the established company is RB, which is operating within the hospitality industry. Since the introduction of Internet, the hospitality industry has faced several opportunities and threats. Marketing, booking and communication are some of the greater outcomes. Even though the hospitality industry today is not the one most affected by disruptive technologies, we are living in a world where everything might happen, and I claim that things will happen. Among those disruptive technologies that have had greater impact on the hospitality industry today are Airbnb and Expedia (see section 4.3) something the Economist supports: “Hotels have suffered relentless disruption from the internet. Online travel agents, such as Expedia, take hefty commissions for bookings and sharing-economy upstarts such as Airbnb offer a cheap alternative” (Economist, 2015). Airbnb dramatically increased the supply of rooms, for instance they have 31 600 listings in Scandinavia in 2015\(^3\). On the other hand, RB in Scandinavia has 40 hotels whereas some has a capacity of approximately 100 and others a capacity of 500, which amounts to less than half of what Airbnb offers\(^4\).

According to Guttentag (2013), ”generally underperform with regards to the prevailing products’ key performance attribute(s), but will offer a distinct set of benefits, typically focused around being cheaper, more convenient, or simpler”(p.3). However, Guttentag (ibid.) points out that the disruptive technologies appeals to the low-end of the market or creates a completely new market. Because this market is limited in size and profit margins, it is unappealing for companies to engage in. Therefore, Guttentag (2013) argues that when the disruptive technologies improve and the product have become so entrenched, companies struggle to compete.

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\(^3\) Numbers from email interview conducted with a representative from Airbnb in June, 2015.
\(^4\) Roughly estimated from RB’s website
Hence, the disruptive technologies will eventually attract the attention from leading companies, but by then the disruptive technologies may have become so advanced that the established companies struggle to keep up with them. Therefore, in my opinion present-day companies would probably benefit from embedding readiness into their strategic agenda. Similarly, Christensen & Raynor (2013) showed how established companies should create new disruption instead of being destroyed by the disruptive technologies, hence how to innovative ideas into new disruptive products that in turn will lead to new long-term profitable growth. In other words, companies should use the threat as an opportunity for new growth. Therefore this thesis seeks to understand how actors make sense of disruptive technologies.

4.2.1 Meeting Disruption by Being Disruptive
According to Bower & Christensen (1995) “managers must beware of ignoring new technologies that don’t initially meet the needs of their mainstream customers” (p. 44). In other words, a new story might arise for the well-established companies and “the mainstream customers” are not necessarily that “mainstream” anymore. To overcome this problem, leading companies have to take initiatives. Bower & Christensen (1995) suggest four reasons to why leading companies fail to face disruption: 1) Current customers do not demand new innovation, 2) Their investigation of potential market of such innovations indicates that the market is too small, 3) The innovation does not fit into the existing business model, 4) The organizational structure is unfit to handle such innovations.

Therefore, as Christensen & Raynor (2013) have suggested, senior executives at companies willing to acknowledge and meet the challenges of potential disruptive technologies have three tasks. First, they need to have a foot on each side of the interface between the disruptive growth businesses and the mainstream businesses in order to determine which of the resources and processes that should be imposed on the new business. Second, they must create a process that can be called “disruptive growth engine” which repeatedly launches new initiatives. Third, and most importantly for this thesis, they must always sense the changing circumstances and teach the others to recognize these signals. In short, managers have to break down and destruct their mindset in order to start new success stories. As managers often fail to undertake such changes, entrants with disruptive technologies have a greater chance to overtake leading companies of the incumbent technology (Bower & Christensen, 1995). Because scholars have not applied sensemaking in context of disruptive technologies, it is worth to consider if making sense of what is going on, in relation to the studied phenomenon, may be a missing link in establishing readiness to face such companies.
4.3 Disruptive Technologies in the Hospitality Industry

Foreign Affairs claimed in an article published in 2010: “the advent and power of connection technologies – tools that connect people to vast amounts of information and to one another – will make the twenty-first century all about surprises” (Schmidt & Cohen, 2010). Therefore I have chosen to focus on two technologies that I find disruptive to the hospitality industry’s original business model. The first one is Expedia, which has challenged the hospitality industries for a longer period of time. The second one is Airbnb, an online community of airbed and breakfast sharing, which is growing rapidly and is a very actual topic now. The Economist supports this argument and have argued the following; “The hotel industry ought to be in a worse state than a hung-over guest who has drained the minibar. The financial crisis caused commercial-property prices to collapse and rooms to remain vacant. Hotels have suffered relentless disruption from the Internet. Online travel agents, such as Expedia, take hefty commissions for bookings and sharing-economy upstarts such as Airbnb offer a cheap alternative. Yet the large American and European hotel firms are thriving” (Economist, 2015).

Therefore the focus regarding disruptive technologies will be on two different companies with different disruptive effects on the hospitality industry’s business model, whereas Expedia has been earning money on the hotels’ behalf for more than a decade and Airbnb, which I will place most emphasis on, is a fairly up and coming threat.

4.3.1 Expedia
Expedia was founded in 1996 and was at that time a small division within Microsoft offering a revolutionary new way to research and book travel. Since then, Expedia has evolved into the world’s leading online travel company helping both business and leisure travellers to plan their trips to the best prices (Expediainc, 2015). They are specialized in vacation packages, offering everything from flights and car rentals to accommodation with a slogan “wherever you go, we’re with you every step of the way!” Among their partners are hotels.com, another large online hotel booking site. (Expedia, 2015).

The aim of bringing in Expedia as a disruptive technology in the hospitality industry is because they today, together with other online travel agencies, supply a large percentage of hotel bookings. As stated in e27 “The hotel sector has seen much disruption in the last few years from startups popping up to take a bite out of the behemoth-sized industry worth US$1 trillion. Booking hotel rooms are now done through third-party online travel agencies rather than through the hotel websites
themselves. Both Expedia and Priceline now supply 80 to 90 per cent of hotel bookings across online travel agents in the US (E27, 2015).

Expedia has been a large player in the market for a while (Skift, 2014), but it is still growing and therefore hoteliers should take learn from their experience with Expedia in order to create readiness. Expedia is not solely disruptive to the hotel sector. In fact they enable hotels to get a much greater reach and function as a great marketing platform. According to Forbes the relationship between hotels and Expedia is a love/hate relationship: “Hoteliers harbour mixed feelings towards OTA’s. They love the wide reach. They hate the model” (Forbes, 2013). This is exactly what DOS claimed, as I will come back to in section 5.2.1.1. Nevertheless, the reach that RB and other hotels earn from Expedia comes with a price. According to Forbes OTA’s like Expedia take over 20% of the booking costs (also claimed by Travelport 2015), which squeezes the hotels profit margin because people believe they will receive a better rate through Expedia (Forbes, 2013). Therefore it is worth being considering as disruptive to the hotel industry, as third-parties earns income on their product even though companies like Expedia has been most disruptive to the traditional travel agency industry (ForbesIndia, 2015).

4.3.2 Airbnb
Airbnb was founded in 2008 in San Francisco, and is a trusted online community marketplace for people to list, discover, and book unique accommodation around the world (Airbnb, 2015b). Airbnb offers accommodations in all price levels, and they have opened up a new world for travellers. According to their webpage they have more than 25 000 000 guests, more than 1 000 000 listings, they are located in more than 190 countries and this divided on more than 34 000 cities per 21.march 2015. (Airbnb, 2015b). Since late 2013 they have more than doubled their amount of listings, as they had just below 500 000 listings in 2013 (Insider, 2013) “Whether an apartment for a night, a castle for a week, or a villa for a month, Airbnb connects people to unique travel experiences, at any price point (...) with world-class customer service and a growing community of users, Airbnb is the easiest way for people to monetize their extra space and showcase it to an audience of millions” (Airbnb, 2015b). Not only have they created an opportunity for travellers to book their short-term accommodation to a much cheaper price than a hotel, they have created an opportunity for people to rent out their accommodation in a much easier way than ever before.

5 OTA means Online Travel Agencies – in this case Forbes refer to Expedia.
Several scholars have considered Airbnb as disruptive to the hotel industry and among them are Guttentag (2013). According to Guttentag “Airbnb and other similar companies can best be viewed through the lens of disruptive innovation theory, which was proposed and popularized by Clayton Christensen” (Guttentag, 2013, p. 3), which is another term for the aforementioned disruptive technology. According to Guttentag (2013) traditional market for tourism accommodation consist of tourists renting rooms from formal businesses, e.g. hotels. In relation to this, “Airbnb has shaken up this model by providing an online marketplace that permits the large-scale rental of spaces from one ordinary person to another (‘peer-to-peer accommodation’)” (2013, p. 4). According to Black (1985) it was not unusual to find tourists on their grand tour through Europe lodging in private homes in the past. In consistency with Black’s (1985) argument, the correspondent from Airbnb argued the following; “Sharing is by no means a new concept, though. People have been living with each other for ages. My grandparents have told me about how they would stay with friends, friends of friends, family of friends and even complete strangers when traveling through Europe. The only thing that is different is that technology is advanced enough to allow us to put this into a system and create a global network”.

Nevertheless, as Guttentag (2013) highlights, this type of peer-to-peer accommodation has previously been limited because hosts have faced difficulties in making their accommodation known to potential guests and to establish the needed trust between host and guest. O’Reilly (2007) refers to Web 2.0 as the network as platform that is spanning all connected devices and has enabled Airbnb to seize the opportunity of making peer-to-peer accommodation available on the market in 2008. As O’Reilly argues “Web 2.0 applications are those that make the most of the intrinsic advantages of that platform: delivering software as a continually-updated service that gets better the more people use it, consuming and remixing data from multiple sources, including individual users, while providing their own data and services in a form that allows remixing by others, creating network effects through an "architecture of participation" (2007, p. 17).

It is no secret that travellers have different preferences and as some travellers prefer the traditional tourist accommodation such as hotels, Airbnb has enabled new travel opportunities and created new benefits and preferences. As Guttentag mentioned (2013), cost is predictably a major factor for travellers in their hotel decision, and with Airbnb offering relatively low costs, this appears to be a

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6 Email interview conducted June 2015.
major draw. Additional to the economical prices, Guttentag (2013) mention other benefits of using Airbnb e.g. hosts providing useful local advices, access to practical residential amenities, kitchen, washing machine, dryer, etc. These amenities are often available upon request on the larger hotels in return for a high price. Writing in slate, Guttentag summarizes the benefits of using Airbnb based on a guest’s experience: “[The owner] was able to offer a local mobile phone and helpful restaurant recommendations, arrange a reasonably priced taxi to the airport for us, and even participate in a little mutually advantageous black-market currency exchange. It was cheaper than a hotel, and in exchange we gave up services we didn’t really need. We’re perfectly capable of making our own bed in the morning, and access to a normal refrigerator and kitchen is in practice more valuable than bellhop service” (2013, p. 6).
5. Empirical Data
The previous chapter introduced BAU and disruptive technologies, whereas this thesis explores how actors in a BAU company make sense of disruptive technologies. To analyze the phenomenon, this chapter presents selected data from the field. Thus, this chapter presents the place where the data was collected, some selected actors from management and among the employees and their main reflections relevant for the outcome of the study. Further on, the wide array of customers I met throughout the fieldwork will be classified into three groups. Lastly, I present the customer satisfaction & service program, Yes I Can! (YIC), and the customer feedback system Medallia. The evaluations made in the analysis will be set out in relation to the data in this chapter together with additional quotes and thoughts that will be presented. As this study is an ethnographic study, this chapter will be presented with a combination of comments, thoughts and reflections of actors, and my own experiences and observations from the field.

5.1 Context
5.1.1 Front Office
Front office is often referred to as reception and the area behind the reception. In this case I refer to front office as the reception and back office as the area behind the reception. The reception consists of several front desks or satellites as we call them, supposed to be hosted by one receptionist on each. Additional to that it is a concierge ready to answer all concerning questions between 7am and 11pm. The reception is open 24/7 with receptionist ready to help out with any inquiries. Most of the receptionists have long experience from the hotel industry or other service industries and they are trained to offer a great customer experience through the YIC training.

Each of the satellites consist of a computer, a printer, a rubbish bin, drawers for contact information, extra staples, paperclips, pens and shelves for envelopes, staplers, keycards to make it as convenient and efficient as possible. The system used is called Opera, an old fashioned software used throughout the whole chain and also for a lot of other hotels. The atmosphere in the reception is very volatile and often tense e.g. when a lot of people arrive at the same time. During my time in the field I often had the feeling that we were lacking a few people e.g. when I one evening experienced that they had accepted too many people from a delayed flight at the airport and we were only two people working. As they were supposed to leave already 5am the next morning I ended up having to do a double shift of 17 hours straight, as no one else could come in extra.
5.1.2 Back Office
The back office is the area behind the reception where the Service Manager, housekeeping manager and OTS (call center) are located. The Front Office Manager, introduced in section 5.2.1.2, also has a separated office in the back office area. As a receptionist I used the back office to open/close my cashier, to discuss guest situations or problems with the Service Manager and to take a 2 minutes break to get out all the frustration if a guest had been offensive or difficult to handle in some way, which happens quite often especially at night.

5.1.3 Rooms
As a guest there are four different room selections falling into different price categories. The different rooms are junior suite, family, business, standard and executive suite. The executive suite is the only rooms with a king size bed and the price is approximately 9500DKK per night. The other rooms have a selection between queen-size or twin-size bed with a price usually between 1295DKK per night for a standard room and approximately 2195DKK for a business room including breakfast. As a matter of fact, I could not see the difference between a business and a standard room when I went to observe the difference one day in the field. I was aware that it was a coffee machine in the business room, but besides that it was the exact same room. The difference is where the room is located and that you have pay TV and bathrobes included in the rate. I never got the “wow – feeling” in any of the rooms, and the price one have to pay for a room is very high, but at the same time competitive because of the market for it.

5.2 People in Radisson Blu
This section presents the actors and some of their thoughts and opinions. The actors presented are categorized into management, employees and customers, which is consistent with the actors in the model presented in the end of the theoretical framework.

5.2.1 Management
5.2.1.1 Director of Sales (DOS)
DOS was the very first person I was supposed to talk with regarding my thesis, but ended up being the very last person I communicated with within RB due to several postponements. This happened through email. I often met DOS during lunch, but the upper management always sat together around an own table and I did not want to interrupt lunch for DOS. For a while I considered to skip talking with DOS, but on the other hand I was very interested in the opinions from DOS. I am glad I went through with it, as I got some really interesting answers totally different from other actors in the management team. In fact DOS saw Airbnb as a threat even though DOS pointed out that “it is a
different way of travelling”. Because of the rapid growth for Airbnb DOS claimed that it was important to keep an eye on them. In the question I asked her about how the hotel could meet the competition from Airbnb and other potential new thinking competitors, DOS answered, “We offer a totally different service – hence we have to continue to do what we are good at, in the very best way. It will always be a demand for hotels of our kind, so our job is to ensure this is and will continue to be the natural choice – always”. In short, Radisson’s way to ensure guest commitment is to trust and believe in their service provided through YIC. Not only did DOS argue that YIC ensure guest commitment, but also employee commitment. According to DOS this differentiates them from other hotels and is clearly visible through the low turnover rate. When I asked DOS about Expedia the answer was “it is a long story – what can I say... it is a love/hate relationship between third parties and hotels”.

5.2.1.2 Front Office Manager (FOM)
FOM has a long track record from several departments in Radisson and no higher education, which shows that it is still possible to work your way up in the hierarchy within the hotel. FOM has gained a lot of respect from the employees and as the leader of the front office staff including receptionists, service managers and concierge the FOM function as a bridge between higher management and the front office staff. Additionally, FOM is in charge of hiring new staff and maintain a well-functioned reception to the guests. The FOM is the only manager with an office on the ground floor in the back office, in order to keep track of the staff. If there are any problems FOM will assist if necessary. FOM gave me access to use Radisson Blu as case company together with the General Manager and was very happy when I suggested taking many shifts for 3 months. It was obvious that the need for experienced receptionists at that time was wanted and as I quickly found out, this was a win-win situation for both of us. At the time when I proposed my research topic, FOM did not see how my research could be of relevance for the Hotel and it seemed like her interest of helping me, decreased as I was already scheduled in for the next months. Further, when FOM understood that I was leaving the hotel as soon as my study was over, it became even clearer that the interest in helping decreased.

5.2.1.3 Global Sales Manager (GSM)
FOM introduced me to GSM after the compromise of enrolling a certain amount of new Club Carlson members. I was assisting a guest at the time GSM stopped by the reception and FOM wanted to introduce us to each other. They waited until I was done with the guest, as the guests are their most valuable asset and have to be highly respected. GSM showed an interest in my study and
we made a handshake agreement to meet on a later occasion. I got GSM’s email and the first response I got was very positive. Anyway, after this it became more difficult to get in touch, and because it often took three weeks to get an answer I decided to email GSM a selection of questions. As a pioneer in the hospitality industry with more than 16 years within Radisson, GSM have a lot of experience and it was very interesting to read his short, but concise answers. In few words, GSM did not perceive any of what I refer to as disruptive technologies as a threat. GSM had a clear opinion regarding Airbnb “I do not think Airbnb will harm the hospitality industry. It is the contrary, because the competition make the difference and develop the product (…) There are of course a clientele for all categories and thank God we are different”.

I asked GSM if Expedia was a threat to the hospitality industry and if so how. The answer was as following: “absolutely NO”. In my follow up questions regarding Expedia, it was clearly that GSM did not have any opinions regarding Expedia’s role and that this was such an embedded and necessary player in the market for the hotels, which I will come back to later in the analysis.

5.2.2 Employees
“Ordinary people have enormous power – let them unleash it” – (Branson, 2011, p. 12). In Branson’s book “Screw Business as Usual” he highlights how the rapidly growing interconnectedness is transforming how the world works and how the power shifts from the hands of the central authorities to the hands of people (Lanthier, 2015). During my fieldwork, I got the chance to get close to many of the employees and explore their “unleashed potential” or what Branson refer to as their power. The power structure within the hotel can be associated with a hierarchical top-down structure where you do not see much of the leaders, as they have offices separated from the rest and where less people come up with ideas and implement them. Interestingly, I only saw one of the leaders on the ground floor interacting with the employees working as “the face of the hotel” during my whole research period. It is an old hotel, and it seems like the power structure is much of the same as it was when it was opened 42 years ago. I was able to interact with a large group of employees on a daily matter and as the hotel allowed me to conduct this study I seized all opportunities to engage in conversations with them. Below I introduce a set of employees from the reception I interacted with throughout the study, their main thoughts around disruptive technologies and some of what concerned them most. I have chosen to focus on some receptionists, one night service manager and one service manager.
5.2.2.1 Night Service Manager (NSM)
NSM has worked in several of the larger hotel chains in Scandinavia and approximately two years at Radisson Blu where he has been in a fulltime night position the whole time. NSM found my study very interesting and was quick to highlight that we as people are changing. Our preferences are changing, our way of living is changing and our behavior is changing. I asked NSM to elaborate more on this opinion and according to NSM the social media has paved the way for new preferences where people are, as NSM said; “always up to date on what is happening in the world, you know what you get because of ranking through social media, you can follow people’s life and see the technological development in other corners of the globe through Facebook, Instagram, etc.... this leads people to know what they want because what others have done. Therefore the businesses are forced to follow this development in order to not lose customers”. We kept on talking for a while and it was clear that NSM’s answers were not fully consistent with each other in regards to the degree to which the hospitality industry faced any challenges from disruptive technologies at all. As we kept on speaking and I mentioned Airbnb NSM told me that people will always need and want hotels, but Airbnb is one of the preferences that has emerged from social media. “Ten years ago the everyday people would not rent out a room or their whole apartment/house for a few days like Airbnb has opened up for. Actually I want to try it myself, but I know a lot of people that would never even consider it”. When I asked what the hotel would have to do to meet the competition from these new competitors. The answer was: “man, Radisson created the first designer hotel in the world back in the 60’s design by Arne Jacobsen! Today we have been waiting for 10 promised new floors at this hotel for a while and I am afraid it will not happen and that the hotel will be downgraded because management is to slow”. NSM is also one of the front office employees who have most to do with Expedia. According to NSM Expedia is so important for the hotel industry today that it would not be possible to survive in the hospitality industry if the hotel was to ignore them, even though Expedia earns a lot of money on both our product and that RB are taking deposits from them, which is a tedious process.

5.2.2.2 Receptionist 1 (R1)
R1 was hired halfway through my fieldwork, and I was lucky to take part of her training. After teaching R1 the most important procedures, I was able to take one step back and observe how she perceived RB and how she interacted with guests. Once I asked R1 if she knew what Airbnb was, something she did. She immediately said it was brilliant and created so many opportunities for people. She had not used it yet herself, but it was on the to-do list. Interestingly, when I asked if she
saw Airbnb as a threat to hotel chains, she told me that it might become a problem for hotels regarding leisure travellers. Anyway she argued it would not be the greatest problem, as business travellers would swear to hotels, and the older generation would not be interested in those types of opportunities.

We also discussed Expedia, which R1 purely saw as a benefit for the hotels until I told her approximately how much commission Expedia gets, and how Expedia actually has created a business model with a customer base so substantial that hotels are reliant on the service Expedia offers, despite the fact that Expedia eats a large part of the hotels’ profits. Then R1 said, “really, wow... When you present it like that, it is actually a bit of a problem, but it should be possible for hotel chains to create new type of ideas even more genius than Expedia”.

5.2.2.3 Receptionist 2 (R2)
R2 really seemed very passionate about her job. R2’s passion was incredible and by no doubt R2 was committed to RB and its social environment. R2 travelled away for a weekend during my study, and before she left, she told me that she only stayed at RB when she travelled, even when the employee rate was closed. However, R2 found Airbnb very interesting and said it was an option worth trying, a new type of travel accommodation. R2 seemed to forget that this new travel accommodation, also could take customers from RB. It was therefore highly interesting to observe how she changed the perception of disruptive technologies as we spoke more about it. In the end R2 actually found Airbnb as a big threat to RB and the rest of the hospitality industry.

5.2.2.4 Receptionist 3 (R3)
R3 is one of the oldest front office employees and has worked as a receptionist at this hotel for a very long time. Because of her long time in the field, she has gained so much respect that everyone treats her like a “reception-manager”, even though this respect often is not mutual. She is often quick and cold to the guests if they do not meet her expectations or asks too many questions and several times I had to apologize to the guests for her behaviour. The great thing about R3 was that she had so many opinions about things that was related to my study, and I did not have to approach the topic, because several times she complained to me about among other how RB rely too much on the greatness of “YIC”, how much extra work we had to do because of old and undeveloped programs, software systems, etc. One of the more interesting conversations I had with her was when I had to spend four hours charging Expedia one by one for each guest that had booked through them between assisting the guests. Then she asked me why we have to spend hours every single day to
charge a company that has taken business from us and earn money on our product? Quickly she said that this should happen automatically or it should be their job, not ours.

She had no direct relation to Airbnb, but she had noticed that it had become a trend and that friends of her endorsed it. As several of the other employees, she believed that it created a new type of preference. Unlike the majority she perceived it as a big threat and one day she said, “I would not be surprised if we loose a lot of guests to something like Airbnb. I am not even surprised if we loose our jobs in the future and I am replaced with a robot! Technology is so powerful”.

5.2.2.5 Receptionist 4 (R4)
R4 is studying a bachelor degree in business and has been working part time at Radisson for a while. Every time we have worked together she works very hard and R4 has a really good relationship with most of the guests. Nevertheless, R4 always complains about how boring the work is and cannot wait to go home from the minute the shift starts. It often seems like this is more the personality of R4, to complain even when satisfied. I asked R4 if she would change to another hotel if she got a job offer, and it was clear that if R5 would get a higher salary, this could easily happen. Another day I asked R4 if she would stay in a Scandic or Hilton hotel on a vacation and then the message was clear – that was not an option. Later the same day I told R4 about Airbnb, something R4 only had seen on the news. R4 said it was a great invention and that R4 definitely would try it together with friends. I found this very interesting, so I said, “you would not stay in another hotel, but Airbnb, which today often is described as one of the biggest hoteliers in the world?” R4 turned quiet for some time, and then R4 said: “wow, that is an interesting question. When I think of hotels I think of companies with an identity, with a vision of earning money on guests’ behalf. But when I think of Airbnb I think of people aiming to help each other and themselves. Because private people makes it easier for other people to accommodate in new cities and at the same time create an opportunity to pay their bills, live a little bit better, travel themselves and so on… but of course it is a business behind this as well… like Facebook”. R4 was clearly open minded and positive to Airbnb, and she held the same opinion regarding Expedia, which she found genius because it enabled her to easily book her trips, including car rental, hotel, etc. to a good price.

5.2.2.6 Service Manager (SM)
The last actor of the employees I have chosen to include is the SM who has been working for RB for four years. SM and I interacted a lot during the fieldwork and he had a lot of thoughts around the future of the hospitality industry and how the digital world is incrementally having a greater
impact on the industry. As a matter of fact, SM did not perceive Airbnb or Expedia as a threat to RB despite his strong believe in technology. He claimed, "Airbnb would most likely be a threat to smaller family-run hotels and BnB’s, while not as much to larger hotels and chains. They attract different types of customers". He continued to state, "The entire hospitality business is constantly growing with many new hotels being opened every year. The Airbnb and such, are only getting their bite out of that market, perhaps slowing down growth, but by no means stealing some of the key customers for hotels, the regular businessman and group bookings as examples".

I asked SM if he believed that employees in RB felt committed to RB and if YIC contributed to create higher commitment. According to SM the employees feel committed and loyal to a good working environment and great colleagues, but not specifically to RB. He claimed that the YIC does little to promote loyalty to RB, instead it focuses on the rules and routines. In addition I asked if he had an impression that the employees had any impact on corporate decision-making. The answer was as following, “little to none. Decisions are taken with profit in mind and suggestions from the non-manager parts of the company are often about quality of service, that would require investments. There are different corporate programs designed to get ideas out there and try to make the illusion of choice, but in the end it's all about how much money they can earn/save on it, and not about the service it could provide to the guests”. Further on I asked if RB would benefit from listening more to the actors further down in the organization and the answer was “Cynically speaking, getting the staff on all levels to participate in decision-making for the hotel's future is like a gigantic brainstorming session. Unfortunately brainstorming sessions are ineffective in time spent vs. products gained, so you would end up with a lot of "ideas" that are not feasible economically or even theoretically. Someone has to spend time to sort this all out and find the productive ones. On the other hand the problem with having a top down approach on decision-making is when the top runs out of ideas. When all the talk is about "saving now" instead of "investing for the future", you know that the scope is limited”. No doubt that SM has thought about it before, and he confirmed that RB have too high focus on the past and the current instead of investing in the future, which is an important cornerstone of this thesis.

5.3 The Representatives For the Environment: The customers
Many of the customers visiting RB do not stay over night as the hotel offers several activities for non-residential guests such as fitness, casino, restaurants, bars, etc. I have chosen to focus on the residential guest, hence the guest with a room. During the fieldwork I constantly interacted with all
types of guests from all corners of the globe with different backgrounds and different purposes of travelling. My fieldwork unveiled that guests could be categorized into distinct group, hence the next section introduce three distinct set of customers found in RB.

5.3.1. Categorizing the Customers
During my time as a receptionist I discovered three types of customers. In my first year at RB we never classified customers more than typically giving them adjectives like “boring”, “sad”, “angry”, “old-school”, etc. During my months back in the field as a researcher, I began to concentrate more on things like this. By ignoring their mood, which of course plays a big role, it hides a certain type of human behind the stone face, the big fake smile or the contagious smile you know is real. There are a lot of factors that affects people, and it is not possible to apply the same yardstick to everybody. The hotel has guests from all around the globe, hence different backgrounds. Therefore I have tried to look beyond all this and categorize different kinds of people regarding how they perceive the world in the situation we find our self in now. After assessing this for quite a while, I landed on the following three: The faithful, the curious and the explorer.

5.3.1.1 The Faithful
The faithful is often the well educated mature businessman or woman who travels because of work. They have experienced their preferences and have often selected out one or a few hotel chains they prefer. They often brag about how they have been loyal customers for decades and they tend to expect something extra. The Faithful is often tired of all the changes that happens all the time, and is more than satisfied with “how it used to be”. They do not understand why we need to experiment with new ways of doing things and are more than happy with good old fashion hospitality. The faithful is often 50 + and have lived a long life before Internet was invented.

5.3.1.2 The Curious
The group of guests I have called the curious are typically middle class people aiming to get as much as possible out of their stay. The whole package means a lot to them, and they have often spent a lot of time on planning their perfect get-away. They are open-minded when it comes to sales tricks, as they often have no idea what they say yes to. They appreciate everything that is complimentary and as long as no unforeseen problems arise, they are grateful for their stay. Nevertheless, if something unforeseen arises, they are quickly complaining and often they refer the problems back to the price they have paid and wish to get their money back or to receive additional products or services for free. Their commitment to the hotel, depends on many factors, but is often
related to their previous experiences, if they have relatives employed within the hotel, if they have worked there before, if their friends usually stay there, etc.

5.3.1.3 The Explorer
The people falling into this category are usually travellers that care less about all the extras and travels for the joy of exploring new places and often to meet new people. Their priorities regarding accommodation are often based on location and value for money related to the experience of discovering a new place. The explorer has little or no commitment to the hotel and can easily swap if they find a better option. They are not interested in spending a lot of time in finding a place, and often lands on “the first and best” from an randomly picked online booking site. The explorers have often travelled as “backpackers” or still are, and they have a laidback relationship to travelling as opposed to a lot of others, who prepare their vacations for months. The explorer is typically between the ages of 18-35, but sometimes people up to the age of 70 surprises travelling this way.

5.4 Service Program and Satisfaction Measurement
During the fieldwork I noticed two dominant factors that seemed to block RB from establishing sufficient readiness to face disruptive technologies. They included a customer satisfaction program and a satisfaction survey. Both factors are related to creating the best customer experience, but as the analysis suggests, the customer satisfaction program functions as a self-generated narrative of how the industry works and how RB should continue to succeed, something that the survey seem to falsely confirm. Thus, as I will come back to in the analysis RB tend to live in the past and current state involved in a static narrative, instead of being future oriented and commit to the more dynamic narrative, that seems to be emerging in the industry. Below is an introduction of the to factors:

5.4.1 Yes I can!
YIC is the customer satisfaction program for RB, initiated to offer the best service for the guests. According to RB, YIC is not a slogan, instead it is described as a lifestyle of all their employees (Rezidor, 2015b). The YIC philosophy is to keep a positive attitude at any point of time and to offer alternative opportunities and the best solution on every occasion. All new employees will receive a welcome letter from the CEO of RB. Here the CEO writes the following about YIC; “Yes I Can! Is all about believing in the importance of taking care of our guests and giving them a reason to come back to us and is the basis of our culture and our way of life. I’m sure that during your orientation period you will soon learn why our company has earned the reputation of being a company that deliver today and remain at the forefront in the future”. All RB employees need to complete a YIC course where they are schooled to offer the best service. YIC was introduced in 1995 and has been
what RB refers to as the heart of RB ever since. YIC is based on commitment, where management spreads the message to their employees and the employees interact with each other and customers based on this mindset. The HEART stands for host, engage, always, responsibility and teamwork and the terms supposed to be used every day to both colleagues and customers. In addition, YIC is supposed to create a certain security for the guests so they always know what they will get and that they will receive no less than the best.

From the fieldwork it became evident that the management worked through the lens of YIC. All routines, the formal tone in emails etc. were infused with YIC. The employees were also influenced by YIC, but as I will come back to in the analysis, the commitment seemed to be lower than what is intended from the viewpoint of the management. After several months in the field, I got the impression that YIC had become so embedded into the culture and perceived so great, that it created an imagination that it is the one and only strategy for RB. Sometimes I got a feeling that the decision makers in RB were slightly influenced by what Janis (1971) has referred to as group think, where deeply involved members of a group strives for unanimity and overrides their motivation to realistically appraise alternative courses of action.

5.4.2 Survey – Medallia
In order to measure and log feedback from customers, RB applies a satisfaction measurement system called Medallia. Medallia is a customized guest satisfaction system for Rezidor, which RB is a part of. With Medallia RB invites customers to complete an online survey and reports the response to a web-based reporting system. The guest is asked about the received service and the used facilities during the stay. The survey also asks about the guest’s loyalty, likelihood to return to the property, recommendation to others, if they were recognized as members or would like to establish a membership, if they experienced any problems and what could have been done differently during the stay. The Medallia results will then be sent back to the concerning RB hotel, where the hotel can see development from month to month, and year to year based on own development and global development and scores. These results are forwarded to employees and occasionally employees are mentioned by names. If the personalized feedback is good, the employee receives a greeting from the management. After receiving several of these, the employees can exchange them in an optional gift, and functions as an incentive to provide the best service to guests.

7 The following link is a test of the survey: http://survey.medallia.com/?rezidor-nonmember-19032014
6. Analysis
As a way to analyze and in order to properly answer the research question, I have divided the
analysis into three parts. The first part analyzes the elements in the sensemaking process by Hernes
et al. (2015), in relation to empirical data. Further on, the second part explores how sensemaking in
RB may contribute to establish organizational readiness to face disruptive technologies. Lastly, the
third part analyzes how organizational learning may be a missing link in the current sensemaking
theory.

6.1 Part 1: The Sensemaking Process
This part of the analysis applies the sensemaking process by Hernes et al. (2015), which becomes
useful as this thesis suggest that it is important to understand actors’ sensemaking in order to
establish readiness to face disruptive technologies. Empirical data will be based on chapter 5
together with new comments, reflections and events with a relation to the fieldwork, that are
suitable for what is being analyzed.

6.1.1 Narratives in RB
Hernes et al. (2015) state that “narratives respond to questions pertaining to the very meaning of
acting together. Once formed, narratives provide important drivers for sensemaking, which interact
recursively with the interacts on which they are based” (p.11). As stressed in section 3.1.1.4,
Hernes et al. (2015) refer to narratives related to a change process. The collected data indicated that
it was multiple narratives connected to RB, hereof the studied management, employees and
customers. Accordingly Dawson & Buchanan (2005) support this and claim that multiple narratives
in organizations are generally derived in three distinct domains: senior organizational actors, other
organizational actors and stakeholder groups. In contrast to Hernes et al. (2015), this thesis explores
the nature of narratives, as no specific change process is being studied. As the following analysis
will suggest, the RB narrative seems superstitious, misfocused and conflicting to the sharing
economy narrative, something that may explain the lack of commitment among staff. Additionally,
the effect of these narratives can be traced through the sensemaking model.

6.1.1.1 A Collective and Static Management Narrative
As Hernes et al. point out “interacts are involved in producing and reproducing narratives, as they
constitute the object of people’s interactional order” (2015, p. 11). Without doubts YIC in itself is
a narrative, which also constitute and paves the way for new narratives. From searching through
RB’s intranet and communicate with managers, I found that the existing and current narrative of RB
and most likely other typical BAU companies, are that “we are what we are, that’s what we are
good at, and let us continue with that”. In case of RB the current narrative is in that case “We are a hotel, we provide the best service through YIC, that is what we are going to do”. This can be associated with a still picture or a static narrative. A narrative that RB’s management seems to believe that also the guests and employees commit to (I will refer to this as how RB believe they commit employees and customers).

6.1.1.2 A Confused Employee Narrative
The employee narrative related to the studied phenomenon was clearly influenced by YIC and the management when the fieldwork was initiated. Most employees had no experience with Airbnb and several of the employees had never even heard about it. Nevertheless, the overall narrative of the employees was slightly different from the management because several of the employees indicated from the beginning that the hospitality industry would change and that RB were more exposed to competition because of the technological development. Although this was related to how other hotels will take advantage of technologies that will replace the need for personal service e.g. check in/out machineries, robot room service, etc. that could expose their jobs, it indicated that the employee narrative was aware of opportunities caused by new technologies. Though, the employee narrative observed at the beginning of the fieldwork was similar to the management narrative and was clearly influenced by YIC. Interestingly, this static narrative among employees seemed to change more toward the dynamic narrative in the hospitality industry, that is influenced by the sharing economy.

6.1.1.3 A Dynamic Customer & Industry Narrative
The quickly evolving web 2.0, the rise of the sharing economy and the use of Internet contributes to creating a new narrative in the hospitality industry because of the new customer preferences that comes with it. Despite that the suggested three types of guests have different preferences, the guests together are strong representatives for the hospitality industry’s environment. Hence, their overall narrative plays an important role in the entire industry, as the hotels would not survive without them. The plot of the narrative in the environment is that a new type of travel accommodation is established, where usual travellers can save money and explore new ways of travelling, and that it enables new clientele to travel.

6.1.1.4 Competing narratives
Dawson & Buchanan (2005) introduce the concept of competing narratives, where they argue that there are often a number of competing narratives within organizations in the process of changes.
These narratives may be further refined, replaced and developed over time. In case of RB such competing narratives seem existent.

Anyway, the point is that the new narrative that is emerging together with the rise the sharing economy is conflicting to what BAU companies, in this case RB claim is how their industry works, how they are perceived by actors in the world and what they perceive as the plot of their story. Therefore, as I will come back to in part 2 and 3 of this analysis, by ignoring the emergence of a new story in the environment, RB and other BAU companies weakens their opportunity to development in consistency with the rise of the sharing economy. Several scholars argue that narratives are a source of personal and collective sensemaking, and of valid scientific understanding their own right (Boje, 1991; Gabriel, 2000; Czarniawska B., 1998; Dawson & Buchanan, 2005).

6.1.2 Interacts and patterns of interacts from YIC!
The sensemaking process is according to Hernes et al. (2015) action driven. Within RB there are a lot of acts, but in order to focus on the topic of this thesis, I have narrowed it down to what creates an obstacle in establishing organizational readiness and how actors make sense around this.

6.1.2.1 The effect of YIC on sensemaking in the Organization:
The customer satisfaction program YIC can be considered as an act initiated by higher management to form an overarching brand, a vision and a corporate mindset that applies to all actors with a relation to RB considered in this thesis. The act is initiated with the CEO’s welcome letter introducing the greatness of YIC. In the training materials for the YIC program the following is stated; “YIC! – The heart of RB, it comes from the inside, it is what we do everyday, it’s the way we treat others, and how we would like other to treat us.” As a new employee at RB one will within a short period of time have to attend a one day YIC course where someone from HR practically aims to turn each employee into what several of the employees called “Yes Men”. According to Hernes et al. (2015), acts create interacts that evolves from single acts. By using YIC in conjunction with field training, the new employees are taught how to interact with guests, with each other and how to be an accepted member in the organization. When the YIC training is completed, each employee receive a pin, which they have to attach to their suit and always wear while at work. The employees are now as the HR respondent stated, “a part of the corporate mindset, they have the heart of RB attached to their uniform and they behave in accordance with it.

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8 Email sent out to all new employees.
9 Taken from the training materials HR apply to school new employees, received by one of the HR staff.
With the YIC behaviors, RB aim to create a standard guideline on how interacts between guests and employees should be conducted. The interacts starts when the employees begin to perceive the act that RB are schooling them to become one of them.

6.1.2.1 Patterns of interacts from YIC
Hernes et al. (2015) suggest that interacts may be developed into what they refer to as recognizable patterns of interacts. At RB there are a wide array of patterns of interacts, but from the very first meeting with YIC, interacts develop into patterns of interacts. E.g. in terms of how they communicate with different types of guests and how they in general behave at work compared to outside work. For instance, several of the employees claimed they changed their tone of voice, language and attitude as soon as they entered RB and got dressed with the uniform. This is not the only patterns of interacts in terms of YIC. The fact that the corporate management has a high focus on YIC where they several times a year educate new employees to become “yes men”, and that everyone within RB regardless of department have to wear a pin and act in the spirit of YIC all year around is clear patterns of interacts.

6.1.2.2 How the YIC sensemaking regime is adopted in the organization
How each individual perceives YIC differs from person to person, but most of the employees were happy they had some sort of classroom training in addition to the field training. Nevertheless, it was clear that several of the employees perceived YIC as artificial. As R1 once mentioned “it is interesting to see how passionate RB is about something that actually all service minded companies have today. No hotels have a ‘no we can’t’ vision”. This means that the act creates interacts and the employees get the chance to absorb it, rethink it and then they begin the act in relate to how they perceived YIC, which in case of R1 can be associated with a normal way of behavior in the service industry. As Hernes et al. (2015) have mentioned “interacts have implications beyond the isolated communicative situations, because they engender reciprocal obligations between actors, not to one another as such, but to the interactive process between them” (2015, p. 10). In terms of RB the employees and the corporation have created interacts engendered by the act of YIC. This again leads to interacts with guests and other colleagues.

6.1.2.3 RB’s Interacts With the Environment
The way in which RB interacts with their guests is through the aforementioned survey provided by Medallia and YIC. As YIC is established primarily to provide the best guest experience, it is important for RB to get a confirmation from the guests that YIC is well functioning and that the guests had a pleasant stay. This is in accordance to what Bower and Christensen (1995) suggested
as a reason for why leading companies struggle to face disruptive technologies. Namely because their customers do not require new innovation, and because the environment gives no indications that it is new innovations is necessary.

Therefore the next section, which analyses commitment, becomes extra important. The reason for this is because if RB wish for the process of sensemaking to become a self-generating process, i.e. what is referred to as interpretative commitment, commitment on a broader scale is required (Hernes et al., 2015).

6.1.3 Actor’s Commitment to RB and YIC
A major part of the sensemaking process is commitment whereas the focus is on two analytically distinct, but yet closely entangled types, namely social commitment and interpretative commitment (Hernes et al., 2015). In order to analyze commitment, the following section will be separated into three parts: management, employees and customers, in order to evaluate how the different types of actors are committed to RB. The aim of this section is to show how actors commit to RB and how corporate RB believe they are committing their actors through their own self-created static narrative, despite the more dynamic environment narrative that has been provoked by web 2.0 and the sharing economy.

6.1.3.1 Management
According to GSM, YIC makes all RB employees more committed to their job. He claimed that YIC has such a great influence that the employees felt they had to contribute in developing the company. As GSM stated in relation to commitment and company development, "this is everybody’s duty at workplace to develop his/her company". In the email with GSM it was apparent through the way GSM communicated that there existed some underlying commitments between him and RB that supposedly have developed to become reasonably strong after more than 15 years in the company. Most important in this thesis is how the management believes that they are committing other actors into their RB narrative and tend to ignore the alternative, i.e. the “Airbnb/sharing economy narrative” that focuses on commitment to the organization and the future, rather than to the job as seems to be the case with the RB narrative. As GSM pointed out: rather Airbnb or Expedia is a threat to the hospitality industry, where it was stressed that Airbnb targets a different type of clientele and as he claimed “most of the people has now the economic thinking and to save money”. This is inconsistent with the overall message that Airbnb is not a threat, because if
“most people” today are following the ‘economic thinking’, Airbnb is an economic option even though it is a different type of accommodation.

DOS on the other hand showed her commitment to RB through her strong belief in YIC. As DOS pointed out: employees are more committed to RB through this shared vision and goal. For instance, as DOS mentioned there are thirty-two different nationalities in the hotel all working well together, which is because of the YIC. Additionally, the YIC makes employees more committed to RB than other companies, where DOS referred to the low employee turnover within the company. Different from GSM, DOS claimed that they had to keep an open eye for Airbnb as they are so fast growing, and that it is a love/hate relationship between RB and Expedia. However, DOS also said that there would always be a need for what DOS referred to as “our type for hotel”. Therefore DOS is also committed to the static narrative following YIC something one could see through the answer on how to meet the disruptive technologies, “we offer another type of service, hence we have to continue to do what we are good at”, i.e. continue with the high focus on YIC.

FOM’s lack of commitment to this study is an interesting finding in itself. The fact that FOM did not see the point of considering disruptive technologies in relation to hotels shows that FOM is well committed to the YIC and RB narrative. Not only does it mean that FOM is unaware of another narrative outside RB, it also provides an indication that the topic is not discussed among the management. This is also shown through the different perspectives DOS and GSM have expressed.

6.1.3.1.1 Medallia Survey to Confirm employee and guest commitment
It can be assessed that the management staff uses the survey as means to confirm that YIC is successful and that both customers and employees are committed to YIC and RB. What seems to be the problem with the survey is that it mainly focuses on the past and the experienced service and the amenities. Therefore, the results tend to send misleading signals to the managers as the overall good scores in the survey\(^\text{10}\) confirms that the employees and customers are committed, but not what they are committed to. Even though RB receives negative feedback from certain customers, the overall good score from the survey confirm that YIC is successful and that their static narrative is valid. Hence, RB creates a belief that actors are committed and rely on the scores from the survey, which then again commits the management group even more to the static narrative.

\(^{10}\) Every month employees receive all scores and feedback from Medallia. Each hotel has a benchmark, and in this case, the chosen RB hotel is in average meeting all these.
6.1.3.2 Employees
Despite the fact that management believes employees are committed to the management’s somewhat static narrative, several of the employees still seemed to be limitedly committed. My fieldwork confirmed that actors committed differently to RB, also among the employees. Naturally, the employees who had worked at the hotel for decades showed a higher commitment than those who had worked there for only a short period of time.

As the previous chapter revealed, employees committed differently to RB and the YIC narrative.

In the chart below I have plotted in the actors from the field and as one may see, the employees’ commitment varies much more than customer and manager commitment. Some employees have commitment to RB similar to the customers, some closely related to the one of the managers and some holds a totally different commitment than the customers and managers. This proves that the employees perceive RB and YIC differently, and that the employees not necessarily pick RB when they are outside work hours. Despite a common narrative among the employees and management, their commitment varies as shown in the chart below.

![Figure 7: Commitment chart](image)

6.1.3.3 Customers
In the previous chapter, three distinct groups of customers were introduced. This section explores how these various customers commit differently to RB. While Weick (1995) and Hernes et al. (2015) focus on commitment in the formal organization this part of the analysis goes beyond the formal organization and includes stakeholders’ commitment, in this case the customers, as this occasionally may be a missing link in the sensemaking process. Despite that customers and organizational actors commits differently to certain phenomena, I find it important to explore the role of stakeholders in the sensemaking process. This idea differs from Hernes et al.’s (2015) focus, and I will in the end of this thesis discuss why it may be important to include stakeholders in the sensemaking analysis.
Without customers RB would never survive. Many of the guests visiting RB are regulars and I got to know quite a few guests pretty well during the period of study. This may be a sign of commitment from the side of the customer. But, how committed are the guests actually?

Most of the regulars are business travellers where the accommodation is booked through their company and where the company has established a relationship for a certain period of time, most often because of a discounted company rate offered by RB. Indeed, several of the customers answered that they usually never pick RB when they travel for leisure because the rooms are quite impersonal. According to Hernes et al. (2015), interpretative commitment does not necessarily mean high social commitment between actors. Therefore, from observations, regulars tend to have interpretative commitment to RB despite lower social commitment to the organization.

6.1.3.3.1 The faithful
Despite the aforementioned view that business travellers not necessarily are committed, from the observations made, the most faithful guests were business guests. The main reason for this claim originates from how these guests after a certain time explored the benefits of using the customer loyalty program Club Carlson. Several of the guests expressed high positive attitude toward this as it enabled them to earn points on their business travels that they could utilize for leisure travels with their family. Additionally, more points were followed by greater benefits such as free upgrade, early check in and higher discount on incidentals e.g. food and beverage. Therefore this motivation to earn more points also created a feeling of commitment for the customers. Furthermore, the business guests travelling many days a year seemed to prefer getting a feeling of having a second home. By staying with RB they knew approximately what they would get, they often got to know some of the employees and this created a feeling of belongingness and created both social commitment and interpretative commitment.

6.1.3.3.1.1 Perceived as faithful, more like curious
One of the events that are worth mentioning was when the international jewelry company Pandora held a large conference with managers from all around the globe at RB. On this occasion RB hosted both the facilities for the conference and accommodation. In advance, the employees were encouraged to be extra respectful to these guests and give them an extra warm reception as they are regulars and very valuable to RB. When they arrived they arrived in big groups and often lined up almost all the way out the door. At one point I overheard a conversation where one of the ladies standing as the next in the line told her colleagues that she saw no point in paying an overloaded
price when she had to stand in a line for ages, while there would be no line at all if the accommodation had been booked with Airbnb. Then the colleague answered that she agreed, but only on a leisure matter. The lady then argued that it was great for business as well if you are not travelling on occasions like this, only for meetings or for a long term mission and that she believed Airbnb in the future would target their services more towards the business segment as well. The other lady agreed with that and said she had already tried it with her friend and really liked it, so she would not mind using it for business either as she would get more space, amenities and a more homely feeling for the same price. This shows that even the guests that fall under the faithful can be less faithful or even be perceived as faithful when they actually are more like the curious. Thus, observations suggest that guests that initially are considered faithful may not remain faithful when better alternatives have managed to convince them to shift.

6.1.3.3.1.2 A Change Predicted Change in Business Travel patterns
GSM argued that Airbnb will not harm hotels, because of categories for different types of clientele, and many of the employees argued that Airbnb was no threat to RB as business travellers are their greatest customer base, and that it does not make sense for them to use Airbnb. The Economist confirms that as of today, the main customer base of hotels is business-travellers and they stress the following, “Hoteliers tend to shrug off such concerns by pointing out that Airbnb serves few business travellers, the main customers for hotels” (2015). Airbnb’s great numbers of users and listings proves that the sharing economy has become more popular and that people appreciate such an alternative. Even though Airbnb has not made the greatest entry into the business travellers’ market, it becomes important to raise the question, because it seems to be more a question of when they will enter it rather than if they will. The Economist has claimed that, ”Airbnb is beginning to make inroads into business travel. Ever more companies are letting staff book their own itineraries, and giving them incentives to be thrifty. Google sets a budget for each trip, and employees who underspend them get credits they can donate to charity or use for future perks like flight upgrades”. (2014). In other words, the Economist claims the contrary of internal actors in RB, and RB seems to be more exposed to losing business travellers, that forms the majority of the faithful guests, than expected. So, what does this mean? This means that in reality the faithful guests that RB surely rely on, may change their travel patterns and allocate their budget for trips differently where they aim to make the most out of the entire travel experience, or even save some money for other occasions. Therefore, the guest that today is believed faithful may tomorrow be like the curious or even the explorer.
6.1.3.3.1.3 An example
One day I was talking with a German guest. He knew what Airbnb was, but had never thought much about how it worked and never tried it himself. We kept on talking about it for some minutes and I mentioned how Internet and the sharing economy have opened up for innovations like Airbnb creating new preferences and choices. Two days later he came back to me and told me that he had some interesting conversations with his colleagues during a company dinner the previous day. In short, he had reflected upon the concept for two days and was now very interested in trying it. Approximately one month later the same guest came back to the hotel for a new business meeting. I was not checking him in, but after my colleague checked him in he approached me and told me that he and his wife went on a weekend holiday to Barcelona the previous week. He thanked me for the great conversation about Airbnb, as their weekend had been nothing else than amazing. With an entire newly renovated apartment on a high floor with city view and hosts that offered the greatest service. He told me that the hosts gave them one IPhone each with local 3G, bikes, offered free pick up at the airport and left both drinks and snacks for them. And as he mentioned, the best of all was that the price was not even close to half of what a hotel with same standards would have.

6.1.3.3.2 The curious
The guests categorized as curious had in general lower commitment than the faithful. From my observations two noticeable factors that suggested established commitment to RB were unveiled. The first factor was related to the customer loyalty program Club Carlson. In this case guests felt committed to use RB in order to collect points. As the curious guest often seems to travel less, his ability to earn points is lower than that of the business customer. As a matter of fact, one needs a great amount of points in order to claim out e.g. a free stay. Therefore their commitment becomes more artificial and the guests are influenced by the desire to claim something free of charge. Their commitment is influenced by social commitment from the employee that in the first place is offering a free membership. Furthermore, the commitment establishes interpretative commitment because the guest feels obliged to use RB instead of other actors in order to take advantage of the benefits following the membership. Nonetheless, as one guest indicated, “I created a membership before I began travelling with work, after a while I threw it away because I had no chance to claim points from my few yearly travels.” It gives an indication that the commitment is temporary until a certain point where the guest realize that the benefits applies less to them than expected.
The second observation was that guests with family members working within the RB system tended to be more committed. In this case social commitment influences the interpretative commitment where the guests feel obliged to stay in RB because someone in their family worked within RB. Nevertheless, from asking multiple guests with family employed by RB whether they would keep using RB as their number one hotel choice or not, it was revealed that guests generally found RB highly overpriced. This proves that the social commitment in this case is bounded to the family rather than RB and interpretative commitment is created as a result of that.

The curious guests not committed to RB through family or memberships had often booked through Expedia. From the software I could see how the guest had made their reservation. Therefore on random occasions I asked how they ended up with RB. The collective feedback was that they had gotten a good discount on third parties such as Expedia, good location, and an overall good ranking/feedback from previous guests. In this case it is no specific commitment involved as they have booked it through a third part where RB became the most preferred option.

6.1.3.3.2.1 Commitment through Memberships
Despite the Curious guest's low commitment to RB, they where the ones that most often were interested in establishing memberships. Thus new short term, if not long-term commitments were believed established. The problem with this costumer group as mentioned before, is that they not really travel enough to earn points that they can redeem advantages from. Thus, when the customer figures this out, it may even undermine the commitment.

6.1.3.3.3 The explorer
The explorer had by far the lowest commitment to RB and YIC. This group of guests picked RB of more practical reasons. Either Expedia had provided a good offer, or the location was good. The explorer had in general reasonably low expectations and as long as nothing extraordinary happened, the explorer did not bother to make any complaints, unlike the other types of guests. The most interesting finding regarding the explorer’s commitment is related to how the explorer tended to choose accommodation after their stay at RB. In most cases the explorer answered that their selection was based on what is affordable and the location relative to preferred attractions, which ultimately would let them save money on transportation. It was obvious that most of the guests at RB did not fall under this category, as the rates on RB often are quite high. Nevertheless, many group travellers coming by bus or ship fall under this category, and what seemed to be another high priority beside price and location was to experience what made the place unique and different from
where they came from and other places they had visited before. Indeed, these travellers often engaged in longer conversations with staff members such as the bartenders and the receptionists, so the commitment that was observed in regards to the explorer can be associated with social commitment. The social commitment is more personal and is related to the connection established between the staff and the very guest. If the guest likes the personality of the employee(s), it was more about talking with the person hiding behind the uniform than communicate and get help from an employee, which one of the concierge staff claimed when I asked him why he often engaged in long conversations with guests and why he believed they continued the conversation and often came back for a chat for instance the day after.

If RB is to lose guests to e.g. Airbnb, the explorers are likely to be the first to leave. One of the guest, a middle-aged Australian man coming by cruise ship together with a larger group of guests told me if accommodation had not been included in his travel package he would use Airbnb, because his experiences with it was incredible.

6.1.3.3.4 Where goes the line of customer commitment?  
Customers generally show commitment until a certain point. In the feedback overview one of the guests stated the following, “no running water from the tap to clean myself in room 1525. After a check, I was offered a free dinner as an apology. ‘Take what you want, we pay’. So I ordered a starter, a steak and cheese (the cheese was totally dry). After this I received a call to my room. We did not mean a three course dish, so you will have to pay all besides of the steak..... The room was not clean at all, a pillow on the floor, the nozzle on the hairdrier was on the floor....NEVER more this hotel” . This is a situation that is worth mentioning, as it shows how sensitive guest commitment can get, and how easily few mistakes can affect their commitment and change their preferences. Accidents like this, high prices and the desire to try something new is some of the things that may change a guest’s travel pattern, and therefore it safe to say that the costumers, if committed, are committed to a certain point and cannot be considered as committed to the RB narrative as the management expresses.

6.1.3.3.5 What role does the guest play in the RB Narrative?  
What makes the guests committed in the end often seems to be related to external factors, not their passion for YIC and RB. Therefore it is becomes important for RB to assess what role the guest plays in RB’s narrative. How faithful are the guests and where does the line between commitment

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11 Feedback from random guest copied from results and comments in the Medallia report of May, 2015.
and no commitment go? Often, for the curious customer, the commitment line seems to be crossed as soon as the price extends what he finds reasonable. The explorer seemingly has low to no commitment at all times even though they may prefer RB more than other hotel chains. Nevertheless, if the other hotel’s location is better and the rate is cheaper, the explorer is unlikely to choose RB. The faithful on the other hand seems to be the most committed guest. Though as pointed out before, some of the guests are not as faithful as they seems. As commitment among customers varies it becomes necessary to consider each group of customers independently. This can enable an organization to understand how to adjust to the environment and create new solutions customized for each of the customer group. In order to manage customer preferences it is important to constantly consider which role each type of guests in the industry plays in relate to the RB narrative, also the guests not using RB today. By doing so, the organization get an indication if their current narrative is credible as of now or if it is outdated and ready to be replaced.

6.1.4 What Differentiates Us From Our Competitors – Or Does Not?
The patterns of interacts with guests and employees rooted in the YIC act initiated by RB’s managers out to both employees and guests was associated with a still picture, a static story of how RB have succeeded and will continue to succeed. This static narrative of RB is according to DOS “what differentiates us from our competitors”, but it is also what seems to be impeding the more dynamic narrative in the environment. This lack of addressing the new narrative in the industry is in accordance with what the Economist (Economist, 2015) and scholars like Christensen & Bower (1995), Christensen & Raynor (2013) and Guttentag (2013) predict to be the problem of companies like RB.

6.1.5 The Sensemaking Dilemma
So far the analysis have explored the elements in the sensemaking process, with an emphasis on narratives and commitment. The analysis has discovered that the RB narrative seems superstititious, misfocused and conflicting to the one in the environment referred to as the sharing economy narrative, as demonstrated in figure 8. The hotel narrative seems to be based on decisions, hierarchical patterns of interacts, and commitment based on e.g. work contract and training. The sharing economy narrative on the other hand, seem to have sporadic and noncommittal interacts, with more unstructured and network based patterns of interacts and commitment based on e.g. preferences and the feeling of belongingness to the new trend/community of people using in this case Airbnb. This commitment to the Airbnb community, that seems to be driven by commitment to the sharing economy, also constitutes commitment to the company, in contrast to the RB narrative.
constituting commitment to the job. Therefore, the analysis suggests that it is important to bring in shareholders’ sensemaking, which can be discovered through learning by March & Olsen (1975), explored in part 3 of the analysis.

![Figure 8: The hospitality industry dilemma (reconstruction of model by Hernes et al. 2015).](image)

The conflicting narratives may be a call for initiatives, and with a corporate level that ignores the alternative existing narratives in the environment, RB seems to ignore the importance of readiness. Henceforth, the next part of the analysis will place its emphasis on readiness in RB, analyzing the role of sensemaking in the establishment of readiness in a BAU company based on the field study.

### 6.2 Part 2: Sensemaking to Establish Readiness
Organizational readiness takes according to Weiner (2009) and Shea et al. (2014) place when actors in an organization are prepared to implement a change. While readiness in most cases has been explored in relate to a specific change process, this thesis aims to explore readiness to face an ambiguous future. To navigate under ambiguity can be challenging and it may be a call for new strategic initiatives. According to Weick (1995) sensemaking is to structure the unknown. Therefore, this part of the thesis explores how sensemaking may enable establishment of readiness for an ambiguous future.

#### 6.2.1 Expedia has been a large player for a while, no initiates made – time to face reality
In section 4.3.1 Expedia was introduced as a technology with disruptive impact on the hospitality industry. However, the majority of the managers and many of the employees did not perceive it as a
disruptive technology at all, except DOS who claimed that it was a love/hate relationship. In the contrary the Economist argued in that "the hotel industry ought to be in a worse state than a hung-over guest who has drained in the minibar" (Economist, 2015), where the message is that the hotel industry cannot rely on this glory where hotels in the US and Europe are thriving like now despite the relentless disruption from technologies as Expedia and Airbnb.

Approximately 20% commission on each booking and squeezed profit (Forbes, 2013; Economist, 2015) has been a challenge for hotels for a long time and the observations showed that the Expedia relationship is so embedded into RB’s routine and life that the disruption has paved its way so well into the industry that they are now an accepted player. However, the way Expedia made their entrée and settled in the industry should frighten them. Instead they seem to thrive in the industry more than ever. In many ways Expedia may be considered a great channel for the hotels to earn a great reach, but this type of technologies could also belong to the hotels themselves. If all the different activities within a hotel suddenly are replaced by new disruptive technologies, how can the hotels then survive? Therefore the Expedia story should have kick-started new innovations by the hospitality, especially when Airbnb was introduced. Instead of learning from the past and note what is going in the society, they ignore it and keep doing things their way. As this study suggests, one way to better face the disruptive technologies is by establishing readiness. Furthermore, this study suggests that sensemaking may be an important missing link in the current readiness theory, thus the next section explore the role of sensemaking in the establishment of readiness.

6.2.2 The Role of Sensemaking in the Establishment of Organizational Readiness
My observations have unveiled that RB lacks readiness to face disruptive technologies. In the following analysis I will explore how sensemaking may be useful for RB in order to establish readiness and to better face disruptive technologies as this thesis suggests that BAU companies lack readiness to face unforeseen challenges. This is tightly related to Christensen & Raynor’s (2013) suggestions for how companies can prevent themselves from being disrupted by creating new, emerging disruption. Accordingly, in order to meet challenges from disruptive technologies and transform these challenges into opportunities, it is suggested that RB starts assessing potential threats at an early stage (Christensen & Raynor, 2013). Therefore this section explores how I, with ethnographic techniques applied the sensemaking process, and how this enabled me to assess and initiate establishment of readiness.

12 Mentioned in section 5.2.1.1
6.2.2.1 Challenge Organizational Narratives by Setting Out an alternative Story:
While it was assessed that RB’s employees and management seemingly are locked in a static narrative, the next step will be to investigate how the process of challenging an organization’s narratives may contribute to improve an organization’s readiness.

6.2.2.1.1. Predictive Narration as A Way to Break Down Old Patterns
During my period of study at RB, I challenged employees’ narratives by trying to make them reflect upon the implication of Airbnb on RB’s future. “The process of planning a technological change project can be interpreted as predictive narration” (Dawson & Buchanan, 2005, p. 860), therefore approximately half way into the fieldwork, I placed a narrative based on the more dynamic narrative in the environment different from that of RB’s managers’ and employees’ in the field. In the beginning it became evident that employees had not even considered the fact that Airbnb may serve as a threat. Nonetheless, what I observed was that the employees developed their thoughts around the concept I had introduced. Some even told me that my interruption had made them make some research on their own. After a while they told me they better understood why I had decided to conduct this specific research. SM for instance found it so interesting he even wanted to go out have a few after work beers to discuss it further.

6.2.2.1.2 The story planted in Front Office
In short, the story was that companies with disruptive effects on the traditional hospitality business model such as Airbnb and Expedia becomes more and more attractive and RB keep rely on offering the best service through YIC as the strategy to beat competitors. By setting out this story to employees and in some situations guests as soon as I met them, cognitive processes and a new individual sensemaking processes for the actors was initiated. In almost all cases, the actors had vague thoughts about the phenomenon, but after some time they either came back to me initiating conversations or I brought it up again. It was clear that they had twisted their mind around it and that new sensemaking processes had been initiated inspired by the alternative narrative based on the one observed in the environment.

6.2.2.1.3 How Competing Narratives Can Kick Start the Readiness Process
While it has been assessed that it is competing narratives in RB and the hospitality industry, the predictive narration process seemed to be a functional process to initiate the readiness process and to take advantage of the competing narratives. According to Dawson & Buchanan (2005) competing narratives is all about finding alternative narratives. The discovered narratives enable
managers, researchers, etc. to start a new sensemaking process by placing the alternative narrative in the field that is being observed\(^\text{13}\).

6.2.2.1.3.1 Acts, interacts, patterns of interacts
To reflect back on the sensemaking process, the act that initiate the new sensemaking process is the narrative placed in front office. This creates interacts among actors, which in term develop into patterns of interacts as time goes by. In terms of this study, the interacts that developed into patterns of interacts is associated with how several of the employees changed their mind about their perception of disruptive technologies and began to approach me to discuss it further.

6.2.2.1.3.2 How the initiated process establish commitment and efficacy
As introduced in section 3.2.1, Weiner (2009) describes organizational readiness as a multi-faceted construct that consists of change commitment and change efficacy. Were commitment is organizational members’ shared resolve to implement change and change efficacy is the shared belief in their collective capability to carry this out. From Weiner’s point of view RB have a low degree of organizational readiness were the members initially have no, or low change commitment and efficacy. Nevertheless, the patterns of interactions seemed to develop into commitment where the employees began to see the need for initiatives. The efficacy on the other hand continued to be low during the fieldwork. The study suggests that if the process were conducted higher up in an organization over a longer period of time, the outcome would be higher commitment and efficacy, hence higher readiness.

By considering sensemaking as a process before change, hence the stage prior to what Lewin (1951) refer to as unfreeze, I found that the sensemaking process could be a successful theory to apply to discover readiness in RB. However, the analysis so far has proven that by not solely focusing on sensemaking in the formal organization, but also stakeholders’ sensemaking, this uncovered interesting competing narratives, and hence competing sensemaking processes. Therefore, the next section explores how organizational learning may be a missing link in the sensemaking process.

\(^{13}\) Suggested execution strategy under managerial implications in the discussion.
6.3 Part 3: A Missing Link in the Sensemaking Process
According to March & Olsen (1975), one of the disconnections in the learning cycle arise when an organization ignores the response from the environment. This creates superstitious learning, where the company is too superstitious related to own success and routines and ignores the external flux. The aim of this part is to show that the lack of focus on relations between various sets of actors is what prevents RB from establishing the sufficient readiness to face disruptive technologies and tends to be a missing link in the sensemaking framework offered by Hernes et al. (2015).

6.3.1 Disconnection in the Establishment of Readiness From Superstitious Learning
The fact that Expedia paved their way into the hospitality industry the way they did, as explored in section 6.2.1, should have been an eye-opener for hotels like RB. However, hotels seem to ignore this (Economist, 2015) and once again, because of Airbnb, the hospitality industry face a similar situation as with Expedia.

6.3.1.1 A disconnection between organizational action and Environmental response
According to the proposed theory by March & Olsen (1975) in relation to findings from the field at RB, most of the relations in the learning cycle seem connected to one another. Nevertheless a disconnection between organizational action and environmental response is evident in case of the way RB makes sense of disruptive technologies. It stems from the strong belief in the story of YIC and the previous success that is confirmed by the overall great results from the customer satisfaction survey. The problem with the survey is that it is based on the previous, and a static story of how RB is and should be, instead of also being future oriented and creates new opportunities by taking advantages of what is going on in the environment (Christensen & Raynor, 2013). Therefore as a part of the still picture and static story of YIC, RB creates a strong belief that the employees and customers are committed to RB, while the actual story might be something totally different. Hence, the corporation is by themselves fictively committing actors to their success story, while the actors in reality seem less committed. For instance customers are more driven by external factors, such as value for money, and employees are committed to doing their job i.e. routines and social status, because of the monthly paycheck and to satisfy their closest colleagues.

The corporate RB seems to be aware of the changing environment and the external forces that they are not able to control. Yet, the strong underlying corporate commitment to YIC seems to have a cognitive manipulative effect on actors in management, as they tend to ignore the emergence of new trends in the hospitality industry, which was the case with both FOM and GSM.
6.3.2 Disconnection as a result of competing narratives
The disconnection March & Olsen (1975) refer to as superstitious learning is when organizational action is not in compliance with what is going on in the environment. As March & Olsen state “individuals within an organization take action, that action produces organizational behavior, that individuals learn from the apparent environmental response, and that subsequent action is modified in what appears to be an appropriate fashion. The critical feature is that the connection between organizational action and environmental response is severed” (1975, p. 159). This happens within RB, because the actors in most cases are aware of what is going on and the new narrative that is constantly emerging. Nonetheless, the managers treat disruptive technologies such as Airbnb and Expedia as less of a disruption than what among others, the Economist (Economist, 2014; Economist, 2015) and scholars have claimed it to be (Christensen & Raynor, 2013; Zervas & Byers, 2015; Guttentag, 2013). Therefore this creates superstitious learning, where RB tends to partly ignore the new narrative in the hospitality industry where players like Airbnb and Expedia have gained a permanent role. This shows the importance of considering stakeholders’ sensemaking through applying organizational learning, and how learning may be important to link to sensemaking.
7. Discussion
Several interesting questions emerged during the study, and as a way of discussion I have chosen to focus on three of them. The discussion is by no means exhaustive, but is meant as suggestions for potential future studies and managerial implications. First, I will discuss the result from the research. Second, I will discuss the managerial implications. Third, and last, I will discuss potential future research.

7.1 Research Results
In terms of the research results I have demonstrated that the more static narrative of YIC disables RB from perceiving the more dynamic narrative that seems to be present in the hospitality industry. These competing narratives, considered as one of the key findings of this thesis, prevent RB from creating proper readiness to respond to disruptive technologies, as the corporation seems to be stuck in a hotel narrative bubble, focusing on the past and the present rather than being future oriented and think in terms of the new emerging trends like the sharing economy narrative. Nevertheless, there will most likely be a demand for standard hotels like RB and the aim of this thesis is not to claim that RB should become more like Airbnb. More important for the hotels is it to explore new opportunities and figure out how they can attract the new emerging groups of clientele, with new preferences, or even create new trends themselves. In order for RB to enable this I would argue in accordance with Christensen & Raynor (2013) that RB should meet disruptive technologies with new disruption, i.e. always live in the future and start the innovative journey before they have to. By holding a future oriented mindset and invest in potential innovative ideas the company may save themselves from crisis and last minute costs to deal with these problems. Additionally, they may prevent themselves from being forced to adapt to changes that stems from disruptive technologies which is the case with Expedia, where a high price is paid to a third party, instead of earning the entire price themselves.

Another key finding was that sensemaking seems to lack a learning perspective. In case of RB, it seems to be the lacking focus on what is going on in the environment that is the key problem of following the development in the industry. By applying sensemaking and learning in conjunction, this enabled me to discover the aforementioned competing narratives and multiple sensemaking processes by actors. Therefore, I will present a suggested framework on how to work with sensemaking and learning in conjunction in the next section.
7.2 Managerial Implications
Central decision makers should immerse themselves in the field and observe what is going on within the organization on lower levels and hereof communicate with the environment in order to understand what is going on out in the real world. As a result of this research I have developed the readiness process. The purpose of the readiness model is to explore and establish preparedness to face an ambiguous future by combining sensemaking and learning.

7.2.1 The Readiness Process
The explanatory model below (figure 9), that I have called the readiness process, is a theoretical model meant as an extension of the sensemaking process by Hernes et al. (2015) and organizational learning by March & Olsen (1975) that can be applied to explore and establish readiness in companies. It is important to note that this is not a part of the main findings of this thesis, rather a suggestion for how BAU may establish readiness under ambiguity. In the model, sensemaking is applied to understand how actors connected to the organization make sense of disruptive technologies and organizational learning is applied to uncover potential flaw that limits the organizations readiness to face ambiguity. Sensemaking forms the inner part of the model and organizational learning the outer part of the model. The aim of the model is that leaders can initiate new sensemaking processes by setting out the narrative in the environment discovered by applying learning i.e. the outer part of the readiness process, and stakeholders’ sensemaking. Hence, leaders can contribute to tackle the future in a different way and face disruptive technologies with a higher establishment of readiness.

![Figure 9: The Readiness Process](image-url)
The readiness process enables explanations of circumstances that prevent RB from establishing high readiness to face disruptive technologies. For instance, the superstitious belief in YIC creates a disconnection in the learning cycle between the organization and the environment. Therefore, in order to create higher readiness, RB needs to become aware of the possible disconnections between the environment and the organization, where I argue that this best can be achieved by considering the sensemaking process. However, in contrast to Weick (1995) and Hernes et al. (2015) also include stakeholders’ sensemaking i.e. explore their narrative and commitment. Sensemaking and learning in conjunction function as mutually reinforcing and by applying the readiness process as an ongoing process I argue that companies can benefit from considering it as a part of their strategic agenda.

7.2.2 A Proposed Execution Plan
The procedure of applying the readiness process is suggested as a three steps that can be applied by all BAU companies and managers to discover and establish readiness to face an ambiguous future, in this case with disruptive technologies and to initiate new innovate processes:

1) Apply the inner part of the model to discover current sensemaking among actors within the organization to discover degree of readiness to face potential unforeseen changes.
2) Apply the outer part of the model to discover potential disconnections between overarching groups of actors (e.g. employees, customers and managers). This can be identified by for instance assessing if the plot of the narrative in the environment differs from the organizational narrative. It can also be that the problem is located in the relation between the employees and managers or the employees and the customers.
3) Initiate a new sensemaking process in the organization (can also be department, a certain group of customers, etc.) that may face disruption or other type of competition by setting out the narrative that seems to be competing with the one held by the organization.
4) Repeat this process.

7.3 Future Studies
The aim of this research is to inspire other researcher to do further studies on the meeting between sensemaking and learning, and how this can function as a framework in establishing readiness. Therefore, the model presented as the readiness process, developed as an outcome of this study, can guide researchers that wish to explore readiness in other industries and during other events such as
e.g. implementation of new strategies, release of new products, restructuring, mergers and change in top management, to mention a few. I recommend researchers to consider if the readiness process is applicable with other theories or from other time perspectives, e.g. if the process is applicable at the current state and the post state of a change process.

Furthermore, I encourage scholars to continue the study of disruptions in the hotel industry. Throughout and towards the end of this study, the phenomena studied in this thesis became increasingly discussed in media. In the beginning I struggled to back up my arguments, but as the time passed, more and more articles with the studied topic was published.
8. Conclusion

The overall aim of my research was to answer the question of how actors in RB made sense of disruptive technologies. Airbnb was selected as the main disruptive technology with the highest effect on the hospitality industry, and Expedia was introduced as a secondary disruptive technology that had influenced the industry over the past two decades.

The research question and the theoretical point of departure were highly inspired by sensemaking (Weick, 1995; Hernes et al., 2015) and disruptive technologies (Christensen & Bower, 1995). In order to study sensemaking from a fairly different angle, I explored organizational readiness to face disruptive technologies in RB, where the concept “organizational readiness” was based on Weiner (2009). To study the phenomenon, an ethnographic research approach was chosen, where I as the researcher, immersed myself in everyday situations at RB over a period of approximately 3 months. This methodological approach enabled me to constantly initiate new cognitive processes and to elaborate and to make the most out of the data.

The first important finding of this thesis was that competing narratives, which basically should make BAU companies prepared for change, make it difficult for companies like RB to establish sufficient readiness to face disruptive technologies, especially when management gets caught up in its own systems of measuring commitment. In case of RB, commitment was measured to the job, while a reorientation of strategy requires commitment to the company. Hence, if disruptive technologies are to be made sense of, the sensemaking process by Hernes et al. (2015) requires the right commitment from actors. This is in consistency with the current readiness theory (2009) and gives indications that sensemaking may be useful and play a central role in establishment of readiness, which in turn answers the first sub question in the introduction about the role of sensemaking in the establishment of organizational readiness.

Surprisingly, managers made sense of the disruptive technologies differently, which indicated that the topic had been limitedly discussed among management on beforehand. The employees also had varying perceptions of the phenomenon. One of the most interesting findings in this regard was how several of them changed their mind during the time I spent in the field. Several of them did not perceive Airbnb and Expedia as potential threats to the hospitality industry and RB in the beginning, but as time passed and they either personally had tried Airbnb or read more about it, some of them changed their mind. Despite that several employees predicted technological changes
in the industry, this was more related to improvements in software, hardware, etc. A greater part of the RB employees and managers did not perceive the concerning disruptive technologies as that much of a threat as stressed in media and by scholars (Economist, 2015; Zervas & Byers, 2015; Guttentag, 2013). Instead the majority believed that customers would stay loyal and remain committed to RB and that hotels would not be much affected, which answers the second sub question in the introduction about how RB anticipate changes in the hospitality industry.

The strong belief in loyal customers shown by the internal actors in RB paved the way for the next intriguing findings that became the breakthrough of this research. The customer satisfaction program YIC was found to have a strong and influential impact on many of the internal actors, especially the managers. YIC was found to be one of the key building blocks in the RB narrative, a narrative that especially the managers were strongly committed to. The self-generated RB narrative that was associated with a still picture tended to have an ignorant effect on the more dynamic narrative that is flourishing in the hospitality industry and in the world itself.

The analysis suggests that YIC prevents RB from establishing readiness, which is comparable to what March & Olsen (1975) refer to as a disconnection in the learning cycle. The motivation behind this argument stems from the repetitive pride by managers and belief that customers will stay faithful and committed. The superstitious belief in YIC and overall poor knowledge about the disruptive technologies in the hospitality industry, especially Airbnb, suggests that RB tends to have a severed focus on the environment. March & Olsen (1975) called the disconnection superstitious learning where the connection between organizational action and environmental response is severed. The analysis reveals that learning may amplify the sensemaking process, as it enables stakeholders’ sensemaking and exploration of potential disconnections in the relationship between actors e.g. the organization and its environment. Alternative competing narratives may cause and explain the disconnections, and by applying sensemaking and organizational learning in conjunction, this may enhance the entire sensemaking process, which answers the last sub question about how organizational learning contribute to amplify sensemaking theory. Responding to threats requires developed alternative narratives, with their own commitment, which are translated into acts and interacts. Hence, organizational learning seems to be a missing link in the current sensemaking theory, as this enable both internal and external sensemaking among relevant actors.
Conclusively, this thesis argues that sensemaking and learning in conjunction are mutually reinforcing in establishing readiness to face an ambiguous future. In short, by exploring the nature of narratives in the internal and external environment of the organization, this may uncover competing narratives, traceable through the sensemaking process and useful in establishing readiness. The combination of these theories was in the discussion suggested as “the readiness process”. The discussion suggested that companies should initiate the readiness process before they have to, which is in consistency with Christensen & Raynor’s (2013) argument that companies should start innovative processes before they need to and face disruption by being disruptive. Lastly, the thesis discussed that the readiness process will benefit BAU companies and may contribute to strengthen their position in the market, as they may become aware of potential unforeseen threats and because it enable managers co-create with both the internal and external actors at different levels.
Bibliography


