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The Relevance of Internal Communication
in Contexts of Organisational Integration

Stefan Hartmann

A thesis submitted in partial fulfilment of the requirements of
Sheffield Hallam University
for the degree of Doctor of Philosophy

August 2007

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Declaration

I declare that the attached thesis is my own work: I have made no use of sources or materials other than those which have been referenced or acknowledged in the text.

This thesis or any part of it has not been submitted to any other university or academic institution.

August 2007

Abstract

This study has examined the relevance of internal communication in contexts of organisational integration ('merger communication'). Today, mergers and acquisitions represent a key means of growth. The fundamental impacts of mergers on the people within the affected organisations are, however, frequently underestimated. Many difficulties experienced in mergers appear to be the result of misguided communication founded on a lack of understanding of the underlying communication processes. Previous research and practice on merger communication may have relied too heavily on transmission-oriented approaches which insufficiently address the complexities of merger scenarios.

The present study adopts the philosophical commitments associated with 'critical theory' and 'critical realism'. In methodological terms, a qualitative, interpretive approach was used for the research. The data analysis was split into two parts: the first part involved data collection and analysis using grounded theory. As a result a new theory of merger communication was induced. Primary data was obtained by interviewing 32 subjects who were involved or affected by merger integration. Subjects questioned had differing backgrounds, occupied various positions and gained experience in different organisations. The second part of the research involved a broadly-based literature review which, detached from grounded theory principles, served to corroborate the findings from the primary data analysis.

The study found that merger communication involves reciprocal interaction processes. During these processes, fields of joint and socially constructed views are produced.

Overall, the study advances communication theory which has been empirically tested in merger settings, i.e. there was an examination of the interplay between communication and organisational integration. As a result the field of cultural communication, a route within communication theory, has been furnished with an explanatory approach which extends current understanding of shared meaning relationships. The mergers and acquisitions theory on the other hand is confronted with the finding that an instrumental approach to communication is of limited use only.

While a few academics in the area of mergers and acquisitions have regarded merger communication as involving the sharing of meanings none have developed this idea any further with an overarching model.

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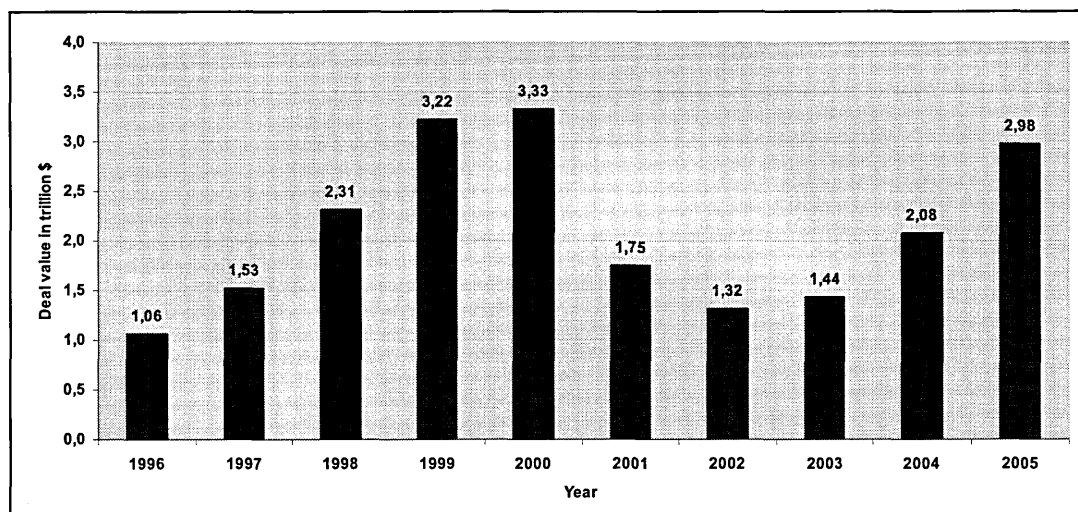
1 Introduction and Research Aim

"So many mergers fail to deliver what they promise that there should be a presumption of failure. The burden of proof should be on showing that anything really good is likely to come out of one." (Warren Hellmann, former head of Lehman Brothers, quoted from Sirower and O'Byrne, 1998: 107)

Mergers can have profound effects on the future of an organisation. By providing access to new technologies, know-how, production facilities, new products, new markets or distribution channels, mergers appear to provide a more rapid means of achieving organisational growth compared to conventional 'organic' expansion. Mergers promise optimisation of existing cost structures through synergies. Consequently, it is not surprising that these prospective benefits appear irresistible to many managers (Grube and Töpfer, 2002).

The graph below illustrates the total worldwide financial transaction value (financial volume of deals) in the years 1996 to 2005. It serves as an indication of the economic relevance of merger and acquisition activity over the last decade:

Figure 1.1 Mergers and Acquisitions: Worldwide Transaction Value



Source: Aigner, 2006: 112, translation

Even though the world merger and acquisition market experienced a decline at the start of the new Millennium, figures indicate a revitalisation of merger activity during the last few years so that the volume has now almost reached the peaks before the slump. A recent report suggests that the value of merger and acquisition deals in Europe alone exceeded one trillion US dollars for the year 2005 (Bawden, 2005).

While the popularity of merger and acquisition activity seems incessant, there are also warnings about potential downsides. In many cases expectations raised before the merger were high but

expected advantages often remained unachieved. Many organisations did not realise the predicted cost synergies, generated insufficient earnings or exhibited declining share price levels (Bryson, 2003; Fokken, 1999; Jansen, 1999). In their empirical survey research of 103 combinations between 1994 and 1998 involving German firms, Jansen and Körner (2000) found that profitability dropped in every second merger deal.

The time after a merger, known as the 'post-merger integration phase', is claimed to have a strong influence on the overall success of a combination. There have been a number of studies concerned with this issue (Agrawal et al., 1992; Ansoff et al., 1971; Seth, 1990; Shelton, 1988). Other authors emphasise its importance (Napier, 1989; Hunt and Downing, 1990; Grube and Töpfer, 2002; Picot, 2002). The post-merger integration phase sets in immediately after a merger is announced and continues until the integration of the organisations is completed. This process can take months or even years (compare Covin et al., 1997).

Increasingly, authors are beginning to attribute undesired merger developments to people-related issues. Cartwright and Cooper (1990) who conducted extensive research in this area contend that, in order to achieve merger value, human issues require more attention. In their view, mergers often condition employee behaviour negatively which results in decreasing employee incentive, lowered morale, increased sick leave and focus on personal concerns (compare Cartwright and Cooper, 1993a). In her case study based research Bryson (2003) relates merger failure to human resource management issues: she stresses that maintaining workforce stability is essential to reduce merger risks. Mergers often fail to integrate different cultures, there is a loss of the quality of services, motivation decreases, key personnel exits, and customers are lost. Bryson adds that mergers often lead to neglecting long term objectives.

Due to the evolving discussion about questionable merger accomplishments:

"attention has begun to shift toward human resource concerns, the cultural ramifications of merger activity, management of overall combination process, and specific efforts aimed at post-combination integration." (Buono and Bowditch, 1989: 10)

Based on their consultancy experience, Marks and Mirvis (1986) conclude that employees often experience the so-called 'merger syndrome' which arises out of fears and anxieties. Thereby, employees become defensive, they start to 'fear-the-worst' and they are susceptible to rumours of job losses, pay freezes or loss of benefits. Resultant predicaments are believed to produce decreases in productivity as well as increases in labour turnover. Increased labour turnover is a common characteristic of mergers and can weaken the strength of the new organisation Buono and Bowditch (1989) found in their study of a bank merger.

Other management literature has attributed the cause of merger failure to poor management planning as well as to insufficient focus on cultural issues (Pritchett et al., 1997). The mixing of

divergent cultures often leads to a 'culture shock'. This disconcerting event, Pritchett et al. conclude, can lead to a fall in productivity, morale and organisational effectiveness.

The role of internal communication (merger communication) has also received attention in the literature:

- A number of research studies have specifically examined the role of internal communication practices during a merger (Bastien, 1987; Cornett-DeVito and Friedman, 1995; Napier et al., 1989; Kramer et al., 2004; Schweiger and DeNisi, 1991; Whalen, 2002). The studies revealed that internal communication plays an important role in organisational integration processes.
- Jansen and Körner (2000) identified a positive correlation between merger success and the development of internal and external communication strategies.
- Merger failure is frequently attributed to inadequate attention to long term corporate identity and communication issues, Balmer and Dinnie (1999) found in their interview based study. The authors suggest that stakeholders of the merging organisations are often not sufficiently cared for, which subsequently leads to a lack of 'goodwill' towards the new organisation.
- An empirical study by Whalen (2002) correlated internal communication to merger success. Her study found that strategic communication is a critical element for integrating employees into a new organisation and its corporate culture. The study revealed that informal communication practices such as joint activities, one to one discussions, group meetings as well as joint training proved to be more effective for integration than formal communication practices like large group meetings, intranet databases or newsletters.

Several consultancy-oriented texts have also addressed the importance of internal communication during a merger:

- Communication during mergers is often neglected and not done properly Pritchett et al. (1997) claim. It is management's role to communicate in such a manner that ambiguity is dealt with by effective and prompt decision-making. Employees will accept change more willingly if they understand the reasons for change, Pritchett et al. add.
- Based on their consulting experience, Galpin and Herndon (2000) identified communication as one of the key elements in a merger. In their view, organisations should practise 'honest' communication. Additionally, organisations should take precautions to ensure that their messages are proactive, coherent as well as communicated as early as possible.

As we have seen in the preceding examples, the role of communication during organisational integration is recognised in the mergers and acquisitions literature.

In retrospect, a majority of the studies and other texts reviewed implicitly presuppose communication theories in which communication is equated to the transportation of messages. Communication is thus viewed as a linear concept which relies on the transportation (transmission) of information; a phenomenon also frequently encountered in other dominant management literature (Varey, 2000a). These approaches presuppose cause and effect relations in which certain information stimulus from a sender leads to predictable responses by the receiver (persons or groups). Frequently, reference is made to effectiveness of information. Common interest is also given as to how information is disseminated, for instance, through certain mediums, systems or formal/informal channels (compare Whalen, 2002, Napier et al., 1989).

The relevance of communication is thus recognised and advocated but not explored in-depth. There is little reference to communication's underlying conceptions and processes. Little is still known in the merger and acquisitions literature on how communication conditions the behaviour of those affected.

1.1 Personal Motivation for Research

The following overview shows some initial themes of interest related to the concept of communication during mergers. These statements are based on personal experiences of a merger between two large German professional service firms (accounting) in which the author was employed from 2002 until 2005. As the merger progressed some interesting phenomena evolved.

Many colleagues complained about being ill-informed, and criticised current merger communication provided. People stated that they felt unhappy with the communication practice. At the same time, senior management implemented a number of communication mediums (Intranet based Q&A forums, regular e-mail updates on merger progress, databases with merger information or newsletters) and events (joint employee meetings, team building exercises, training sessions or seminars).

Observable phenomena during this time: there was an increased labour turnover in key people (including complete department walkouts), many colleagues articulated that they were experiencing feelings of anxiety, resentment and helplessness as well as decreased motivation. Others expressed negative perceptions of the other organisation's culture; a form of 'we-them' thinking evolved. A number of colleagues complained about the 'new' leadership style and expressed disapproval of the more intrusive operating procedures. As the integration progressed, the financial situation of the organisation deteriorated.

These subjective perceptions stimulated a personal interest in investigating this phenomenon in more detail. Consequently, it is also acknowledged that personal preconceptions towards this topic may have evolved. In order to minimise personal biases, a research design was selected (see Chapters 3 and 4) which draws on other people's understandings and interpretations of specific incidents and events. The intrusion of some personal predispositions is, however, inevitable.

1.2 Research Project and Aim

Even though there has been extensive research in the mergers and acquisitions field from different disciplines, failure rates of mergers have remained relatively stable over the last decades. Cartwright and Schoenberg (2006) have therefore deliberated whether the current research may still lack certain 'completeness'; some relevant issues may have been overlooked.

Specific aspects of internal communication may just be some of these missing constituents it is argued by the author of this study. Although there are suggestions that 'communication' may prove important in a transition phase, the current post-merger literature provides no sufficient explanations about what merger communication really is. Many underlying influences based on perceptions, thoughts and understandings are not adequately addressed. In the literature communication is frequently viewed as a tool or instrument, a 'thing' which can be used as needed (for instance, to gain confidence, support, ensure control or contain employee unrest). From this perspective communication is reduced to the transportation of messages from one mind to the other.

Communication, it seems, is one of the underlying foundations for integration related activities. All measures that guide integration activities prerequisite some form of internal communication. A skewed apprehension of communication may lead to implementing inadequate measures and actions during a merger with possible attendant unfavourable outcomes. In light of the gaps identified in the current body of knowledge, an exploration of: 'the relevance of internal communication in contexts of organisational integration' was conducted. The thesis will aim to make advancements to our understanding of communication in integration contexts.

This study will explore how people process the ongoing events during a merger and why they behave in a certain way. There is no intention to highlight or compare specific activities in detail; on the contrary, the study intends to gain more understanding of the underlying processes of merger communication in a more general sense; i.e. what we mean when we speak about merger communication.

In order to fill the voids in the current body of knowledge the following developmental aims were formulated:

1. Develop a theory of merger communication. This is done in two stages:

a) Use grounded theory to generate an empirically-based theory of communication in mergers.

This task involves the inductive generation of a theory from original data. Thereby, merger communication should be explained from the perspective of the research participants; exploring how the subjects interact with each other (interpersonal relations and knowledge exchange processes). The induced theory should rectify some of the current misconceptions about merger communication identified in the literature.

An emergent theory does not necessarily have to be novel. In case the research develops a theory already existing in other fields then the findings will serve as a means of supplementary validation (compare Strauss and Corbin, 1998; Dick, 2005). The quality of a theory is reflected by the way that it was induced; preferably in a structured and systematic way (compare Strauss and Corbin, 1990). Furthermore, the theory will provide an advancement, if it "accounts for much of the relevant behavior" (Glaser and Strauss, 1967: 3) in the cases studied.

b) Juxtapose the theory developed with existing theory as represented by the literature to produce a critical perspective on the latter.

In the next step a rigorous comparison between the theory generated (primary data) with current knowledge in the existing literature (secondary data) will be carried out. The purpose of this exercise is to develop a new approach to merger communication. This new approach aims to continue the advancement of the theory generated by fieldwork.

The review of the literature should thereby serve as a point of reflection. Existing weaknesses identified in the literature may possibly be remedied with the findings made from the theory generation process. Contrarily, findings possibly not noticed during the theoretical emergence process but already acknowledged in the current literature may be invaluable contributors in crafting a new communication approach.

The suggested approach may help to explain current communication practices more 'realistically' compared to present understanding.

2. Extend understanding of how domains of joint meaning are created by participants during a merger process and thereby examine the relevance of 'cultural communication' approaches in mergers and acquisitions.

A preliminary review of the current research indicated that there are alternative approaches to communication focussed on 'cultural' aspects (Carey, 1989; Grossberg et al., 1998) that may possibly also find application in merger and acquisition settings.

Until now 'cultural' forms of communication have only found occasional reference in merger and acquisition research. Hence, the current understanding of 'merger communication' in regard to cultural approaches is still understudied.

3. Contribute to methodological understanding by testing the application of grounded theory in research that follows the epistemological commitment of critical realism.

This study follows epistemological commitments of 'critical realism' (Roy Bhaskar, 1986); a fairly new philosophy in management research which signifies a post-positivist movement. This study will seek to enrich critical realist-oriented research by testing the application of an established research design known as 'grounded theory' (Glaser and Strauss, 1967).

There is still some debate within the critical realist community whether grounded theory provides enrichment and harmonises with the espoused philosophical principles. This study will therefore try to shed more light on this issue.

1.3 Philosophical and Methodological Considerations

The present research is based upon a critical philosophical commitment like the 'critical theory' commonly associated with Jurgen Habermas (1971) as well as 'critical realism' developed by Roy Bhaskar (1986). While the ideas of critical theory serve as a guideline for human behaviour, critical realism constitutes the fundamental philosophical underpinning which also influenced the methodological route.

Stanley Deetz's (1992, 1995) 'critical communication theory' also serves as a principal conceptual framework. Deetz is an advocate of critical theory and argues that people should free themselves from corporate domination. He claims that organisations often resort to practices of 'discursive closure' in which participation and consensus are declared but not practised. Discursive closures are thereby used to obtain people's compliance, maintain control and suppress unrest. Because of this, Deetz advocates participative, democratic communication approaches.

This study aims at emancipating both the participants and the researcher from constraints of society. The study should not only probe into people's experiences but should also provide personal advancement to the participants. Some of the research questions may trigger critical introspection and may encourage the participants to rethink their positions on power misuse, employee participation and social responsibility. The researcher should also question his personal behaviour and motives; closely monitoring how personal commitments evolve as the research progresses.

The research route comprised two key modules. Initially, the first research module involved fieldwork in the form of in-depth interviews. Basically, the field investigation followed qualitative research traditions. Data collection and analysis were based on the grounded theory design

(Glaser and Strauss, 1967; Strauss and Corbin, 1990, 1998). Grounded theory involves an inductive and systematic analysis of particular cases, allowing for grounding theory in data. It is fundamentally about "beginning with data and then seeing where they lead" (Strauss and Corbin, 1998: 292) rather than about "interpreting everything in terms of a theory (laying pre-assumed meanings and relationships on data)" (292). Grounded theory aims at generating a:

"theory that was derived from data systematically gathered and analyzed through the research process. In this method, data collection, analysis, and eventual theory stand in close relationship to one another." (ibid: 12)

Grounded theory uses an iterative process in which data collection and analysis are cohesive; the data findings gained from individual interviews are subject to 'constant comparison', 'theoretical sampling' and 'coding'.

Data-gathering and analysis (reported in Chapters 3 and 4) involved interviewing 32 different subjects using administered interview guides. Interview participants selected for questioning included merger consultants, senior management executives as well as regular staff members. All subjects had either co-ordinated or been subjected to organisational integration measures. Interviewees were asked to comment extensively on memorable incidents or other critical events that they had experienced during this time.

As critical realism is still a 'young' philosophy, it 'possesses' no methodology or research design of its own. Grounded theory has found supporters in the critical realist community, provided that the researcher follows the philosophy's assumptions and conventions (see Chapter 2). Compared to other designs evaluated, grounded theory appeared well-suited for gaining in-depth understanding of underlying communication processes.

The second module of research involved a critical review of the existing literature (Chapter 5). This extensive review synthesises some of the relevant theoretical perspectives of current post-merger integration theory. The existing theory was not taken at face value but questioned and critically assessed. This review was conducted after the fieldwork had been completed.

Contrary to grounded theory conventions, the analysis of the interview data was detached from the analysis of the literature. This issue is justified more extensively in Chapter 3. The literature review (secondary data) is viewed as an additional mode of analysis used to identify possible gaps, corroborate the primary research findings and as a supportive means in crafting a new approach to merger communication. The literature review is fully independent and is not regarded as a compulsory constituent of the grounded theory data collection and analysis process (primary data).

Due to the methodological route selected, the generalisability of the findings is limited to the subjects and industries studied (mainly auditing and consulting). It is, however, imaginable that

other organisations may have faced events similar to those investigated. In this case there may be related learning outcomes. The readers will need to decide whether the findings also apply to other situations (Douglas, 2003). Some of the key criteria which should apply to the evaluation of this research are specified in Chapter 3.

1.4 Definitions

A number of terms used in the following chapters require further explanation. Some terms will be subject to further refinement as the report progresses. Other terms introduced later on will be clarified as needed. At this point 'organisations', 'mergers', 'acquisitions', 'integration' and 'internal communication' are expressed in a more analysable form.

1.4.1 Organisations

'Organisations' designate the primary enquiry setting. It is therefore necessary to define the meaning of the term organisation as it is understood here. An organisation can be defined as a social entity with an inherent formal structure which follows certain objectives. Formal structures thereby enable and align the activities in such a manner that the organisation's objectives can be fulfilled (compare Kieser and Kubicek, 2003). Another accepted meaning is taken from March and Simon who define an organisation as:

"A system of co-ordinated action that survives by transforming conflict into co-operation, mobilising resources, and co-ordination of efforts, accomplished mostly through control of information, identities, stories, and incentives." (March and Simon, 1958, quoted from Varey, 2002a: 4)

In this context organisations are viewed as collective constructs which consist of people who seek to achieve certain goals. It is assumed that an organisation is shaped by formal influences set through structures and hierarchies as well as through informal influences like values, roles and relationships. Organisations are regarded as 'living' entities that possess their own knowledge system. They are not static structures but rather dynamic systems which are in constant movement. It is assumed that organisations consist of differing subcultures, thoughts, interpretations, interests as well as views and opinions which are all coexistent and that these aspects are closely interlinked.

1.4.2 Mergers and Acquisitions

'Mergers' and 'acquisitions' in this context are meant to have interchangeable definitions; they designate the combination of two or more organisations. Both terms signify a process which involves the integration or the joining together of two or more organisations into an existing or new entity.

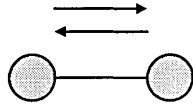
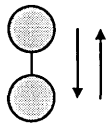
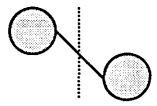
It is, however, acknowledged that mergers and acquisitions usually have different meanings. Generally an 'acquisition' refers to the purchase of an organisation by another organisation,

simply signifying an ownership transfer. A merger may be seen as a combination of organisations, in which one organisation gives up its former existence (in legal terms) and integrates into another entity.

In situations where a small entity is integrated into a larger one this is often referred to as a 'merger of unequal partners'. Cases where two organisations of 'equal size' or 'strength' combine their resources to establish a completely new entity are often called a 'merger of equals' (see Grube and Töpfer, 2002). Some authors like Galpin and Herndon (2000) argue that mergers of equals do not exist. One of the former partners, so their argument goes, will always have a more dominant or influential position within the new organisation (compare van Knippenberg et al., 2002). A further deliberation of this issue is omitted here as this may possibly justify a study of its own.

Depending on the business activities of the two partners prior to the merger, the following categorisations can be made:

Figure 1.2 Merger and Acquisition Types

Horizontal	Vertical	Lateral
		
<p>Acquirer operates in the same market or geographic region as the organisation to be acquired. Both offer similar products or services.</p>	<p>Both organisations have complementary products and services. The value chain is extended as successive processes are joined together.</p>	<p>Sometimes also referred to as 'conglomerate merger' in which the organisation expands its operations to previously unrelated business areas.</p>
<p>The aim is to strengthen core competencies, increase market presence and market power.</p>	<p>Core competencies can be widened. The value chain of the organisation can be extended forwards or backwards.</p>	<p>Leads to a diversification of products and services offered and allows for a diffusion of risks. The client base, at the same time, can remain unchanged.</p>
<p>Problems may arise out of too much congruence of both organisations.</p>	<p>The new organisation faces a risk that former clients may turn into competitors.</p>	<p>Knowledge deficits pertaining to technology and markets pose a potential risk.</p>

Source: adapted from Grube and Töpfer, 2002: 25-28

Mergers are also frequently categorised by the circumstances of their pre-deal formation. Below, mergers are classified into four different types (Pritchett et al., 1997):

- 'Rescue': in the case of a rescue, the acquiring organisation comes into an organisation with financial difficulties in order to prevent further financial demise or to defend the organisation ('white knight') from a hostile takeover attempt by another organisation. In both cases the acquirer is often welcomed as a 'saviour'.
- 'Collaboration': mergers based on collaboration are believed to represent the most successful type of merger as both organisations show willingness to combine. These mergers are usually preceded by overt and friendly negotiations.
- 'Contested': in these mergers the organisation targeted initially rejects any form of takeover. However, as the deal progresses satisfaction sets in. Acceptance of a takeover bid is usually attained through 'logical' argumentation (acceptance of certain terms) rather than by attaining emotional willingness and acceptance to merge.
- 'Raid': in a raid situation the organisation targeted rejects any form of takeover. Raids represent the most hostile form of integration. The negotiation phases are dramatic; they frequently involve propaganda battles in the media as well as attacks on people's personal integrity and competence. All in all, hostile raids are emotional and it is assumed that they can affect employees' perceptions adversely over a long period. It is not uncommon that employees join together in the bidding phase to express their opposition to the takeover. Often post-acquisition situations produce feelings of resentment that equate to post-war situations (the 'defeater' or 'winner' versus the 'defeated' or 'loser').

Mergers can also be classified in other ways. Napier (1989) classifies integration processes in terms of their integration 'intensities':

- 'Extension': in this weakest form of integration intensity, the acquiring organisation only seeks to implement minimal changes in the acquired organisation.
- 'Collaborative': this type of merger involves integrating certain organisational operations through synergies or exchanging/transferring certain technology, intellectual know-how or expertise.
- 'Redesign': represents the strongest form of integration intensity. It encompasses extensive restructuring which leads to a complete assimilation of the organisation acquired. The former identity of the organisation acquired, its business procedures and methods are adapted to those of the acquiring organisation.

In this research, the focus will be upon organisations that have been subject to extensive integration efforts (redesign), i.e. cases in which a 'new' organisation is created by two 'equal' partners or where an organisation of 'significant' size is assimilated by another. 'Significant' size

means that the organisation assimilated will have been 'similar in size' to the organisation it integrated with or, in other words, that its integration was 'noticeable'. For this study, cases related to all acquisition types (horizontal, vertical and lateral) and pre-deal scenarios (rescue, collaboration, contested and raid) are examined.

1.4.3 Integration

There are many different definitions of 'post-merger integration'. The following definition takes a more function-oriented approach describing Integration as:

"the making of changes in the functional activity arrangements, organizational structures and systems, and cultures of combining organizations to facilitate their consolidation into a functioning whole." (Pablo, 1994: 806)

In this context 'integration' refers to the process of combining separate entities (organisations) in order to create a form of completeness or wholeness. Here, integration will refer to any combined people-related activity that occurs when two organisations are joined together. In this study the term Integration will be less concerned with matching or unifying structures and organisational systems.

Some literature suggests that the post-merger phase typically consists of three main sub-phases:

4. 'Integration management' which involves the overall planning of the integration process, analysis of integration potential and the setting up of integration rules (necessities or prohibitions) aligned to corporate strategy.
5. 'Integration measures' which pertain to five levels of integration; 'organisational', 'strategic', 'administrative', 'operative' and 'cultural' integration.
6. 'Post-merger audit' that follows up on: efficiency (acquisition controlling), realisation of synergies and causes of undesired merger developments.

(Source: adapted from Grube and Töpfer, 2002: 46)

Integration in this context will refer to people issues contended with in all three phases.




1.4.4 Internal Communication

The American Heritage Dictionary (2000) defines communication as a means of transmission: "The exchange of thoughts, messages, or information, as by speech, signals, writing, or behaviour". Another definition views communication as "the management of messages for the purpose of creating meaning" (Frey et al., 1991: 28). There are numerous other definitions for the term.

Employees within organisations essentially engage in communication in order to satisfy basic 'wants'; these include the desire for information, entertainment, personal identity as well as social acceptance (Tonnemacher, 1998).

The figure below briefly recapitulates the types of 'internal communication' contrasted with the power relations commonly found in organisations:

Figure 1.3 Types of Internal Communication

Horizontal		Communication occurs on the same hierarchy level	Employees on each hierarchy level communicate with each other
Vertical		Between different hierarchy levels	Assumed to be the most common type used by organisations: superiors communicate with subordinates and vice versa (formal power relations)
Diagonal		Between different, unrelated departments within an organisation	There is no formal power relationship

Source: adapted from Noll, 1996: 42

The primary focus here will be upon vertical internal communication. According to Noll (1996) this form of internal communication represents the most common type of formal intra-organisational interaction. The greatest potential frictions are assumed to exist in formal power relations between different hierarchies, i.e. in situations in which the management engages with its employees in a directive manner. However, when viewed as relevant, horizontal and diagonal aspects will also find consideration.

Attention will be paid to 'formal' communication, i.e. communication practices that are supervised, regulated or endorsed by the organisation as well 'informal' communication which refers to rumours as well as unmonitored and uncontrolled employee relations.

Based on an organisational perspective, Reddoch (2001) separates internal communication into four types of 'information' flow all of which are subject to scrutiny here:

1. 'Leadership communication': articulated by the management to provide understanding for decisions and to align employees to organisational aims (top-down approach).
2. 'Functional communication': signifies instructional information (how to do what and at what time) conveyed to employees in order to facilitate their daily work routines (top-down approach).

3. 'Collaborative communication': signifies intra-organisational information flows which are often impeded by geographic or other organisational segregation factors (lateral approach).
4. 'Feedback communication': reactions from employees to management (bottom-up approach).

At the present stage, 'internal communication' is simply regarded as an intra-organisational operation in which one person's views and opinions are exchanged with another person in whatever way. This form of communication can be a linear, circular, interactive or reciprocal process that occurs on an interpersonal or group level. Furthermore, communication may be informal, formal or utilise technical or other mediums. For the purpose of this study the terms 'merger communication' and 'internal communication' are interchangeable. In the subsequent chapters the concept of 'communication' will receive further elucidation.

1.5 Study Structure

Above, the research topic was introduced with the given approach indicated. The plan of the remainder of the thesis is briefly laid out here. The following chapter reflects extensively on epistemological and ontological commitments and their methodological implications. Leading on from the preceding accounts, Chapter 3 on methodology and design will look at the practical issues of conducting research.

The findings from the field work conducted are presented in Chapter 4. A critical analysis of the relevant literature in Chapter 5 will provide a critical review of current theoretical knowledge related to mergers and acquisitions as well as communication. Afterwards, in Chapter 6 the literature and the primary fieldwork findings are reconciled and a new approach to merger communication is suggested. Finally, this dissertation concludes with Chapter 7 outlining the contributions to knowledge, limitations of this research and by addressing possible implications for future enquiries.

Figure 1.4 Study Structure

Chapter 1:	Introduction and Research Aim
Chapter 2:	Epistemological and Ontological Commitments
Chapter 3:	Methodology and Design
Chapter 4:	Findings
Chapter 5:	Theoretical Perspectives
Chapter 6:	Towards a New Approach
Chapter 7:	Conclusion

Source: Author

2 Epistemological and Ontological Commitments

"All our knowledge begins with the senses, proceeds then to the understanding, and ends with reason. There is nothing higher than reason." (Immanuel Kant)

The aim of the following chapter is to justify the philosophical position taken for this research. These issues centre on the epistemological and ontological commitments followed and the way that they influence the methodological route.

Our ingrained conceptions about warrantable knowledge and reality are believed to condition the way we approach a research case. This development in turn impinges on our analytical and reflexive capabilities.

Initially, terms like epistemology, ontology and methodology will be briefly clarified. The analysis will continue by outlining personal philosophical predilections. Finally, the personal commitments and their implications on methodological choice are examined in more detail.

To summarise, this chapter serves to:

- Elucidate espoused philosophical underpinnings and conventions.
- Provide background knowledge on the designated philosophical route.
- Outline methodological implications.
- Ascertain the possibilities and limitations of research.
- Create a foundation for argumentation in subsequent chapters.

2.1 Epistemology, Methodology and Ontology

Epistemology is concerned with the study of the origin and nature as well as the limits of human knowledge (Philosophical Society, 2003). Fundamentally, epistemology seeks to provide an explanation of knowledge itself; trying to ascertain whether there is an ultimate ground for knowledge. The study of epistemology is also concerned with the meaning of 'truth', delineating its boundaries and limitations, ascertaining whether it is absolute or relative and how we can observe it, if at all.

"Epistemology is the study of the criteria by which we can know what does and does not constitute warranted, or scientific, knowledge." (Johnson and Duberley, 2000: 2-3)

All humans are essentially bound to some form of epistemological commitment that they rely on in order to understand and analyse the world (Wordiq Internet Encyclopaedia, 2003). Humans are also constantly influenced by rival epistemological assumptions, Johnson and Duberley (2000) contend. All epistemic standards are thus contestable.

Epistemology and methodology are closely related (Trochim, 2000): epistemology is based on the "philosophy of how we come to know the world" (internet page), whereas methodology represents the practice of doing so.

Another important aspect requiring consideration is the way that humans perceive the world also referred to as 'ontology'. According to Gill and Johnson (1997), ontology is "the study of the essence of phenomena and the nature of their existence" (178). In other words ontology discusses how we perceive the social world or how the social or physical world exists independently from our being.

Epistemology and ontology are also closely interlinked. Bisman (2002) emphasises that ontological viewpoints structure epistemological assumptions with regard to how knowledge and understanding of reality can be generated.

A fundamental issue affecting the research route therefore lies in the philosophical commitments of the researcher. Some researchers suggest that "all approaches to social sciences are based on interrelated sets of assumptions regarding ontology, human nature, and epistemology" (Morgan and Smircich, 1980: 491). Essentially, the underlying epistemological and ontological assumptions specify the methodological route (Johnson et al., 2004). A comprehension of our personal commitments lets us assess what impact they have on our work (compare Hughes and Sharrock, 1997; Johnson and Duberley, 2000); we gain understanding of how and why we ask particular questions:

"Our epistemological commitments influence the process through which we develop what we take to be warranted knowledge of the world. Such deeply held taken-for-granted assumptions about how we come 'to know' influence what we experience as being true or false, what we mean by true and false, and indeed whether we think that true and false are viable constructs." (Johnson and Duberley, 2000: 7)

2.2 Personal Commitments

At this point the underlying personal epistemological and ontological commitments of this research are laid out in more depth. This presentation is done in order to illustrate the foundations of this research. Additionally, this brief introduction of personal commitments describes how this research was understood and essentially carried out.

Followers of more widely held philosophical predilections like positivism or neo-positivism (see Johnson and Duberley, 2000) are confronted with an alternative approach to management research. While it is acknowledged that the thoughts presented here will not necessarily gain wide acceptance to these readers, it is hoped that at least some of the thoughts and angles presented here may find some viable contribution in their own work.

This study follows commitments associated with the 'critical' philosophical movements of 'critical theory' and 'critical realism'. Critical theory serves as a constitutive way of thinking. It is seen as an exemplary doctrine for human behaviour in general. Adopting some of the basic ideas of critical theory, critical realism sharpens these critical underpinnings by actually pinpointing the practical route of research. All subsequent methodological activity finds its derivations in the mindsets briefly laid out in the following sections.

2.2.1 Critical Theory

In this context, critical theory is specifically understood in relation to the concepts evolving from the 'Frankfurt School'; the philosophical movement led by theorists of the 'Institut für Sozialforschung' founded in 1929. The most outstanding figures of this movement included Theodor Adorno and Herbert Marcuse. Initially their philosophical background originated from the work of Georg Wilhelm Friedrich Hegel and Karl Marx. Later, critical theorists abandoned the Hegelian and Marxist positions, although they still opposed the destructive elements of capitalism. Critical theory developed by analysing social and cultural imperfections; its followers seek to improve existing social arrangements in order to create a just and democratic world (Johnson and Duberley, 2000; The Oxford Dictionary of Philosophy, 2003).

"Critical theory is primarily a way of doing philosophy, integrating the normative aspects of philosophical reflection with the explanatory achievements of the social sciences. The ultimate goal of its program is to link theory and practice, to provide insight, and to empower subjects to change their oppressive circumstances and achieve human emancipation, a rational society that satisfies human needs and powers." (Cambridge Dictionary of Philosophy: 278)

Critical theory advocates that knowledge leads to 'emancipation' and 'progress' (Johnson and Duberley, 2000). It "focuses upon the inherent connections between politics, values and knowledge and, thereby, provokes a deeper consideration of the politics and values which underpin and legitimize the authority of 'scientific' knowledge" (115, based on Alvesson and Willmott, 1988).

Johnson and Duberley have portrayed Immanuel Kant's critique of positivism or 'pure reason' and have shown his influences on critical theory. Kant rejected the idea of the early empiricists (route of positivism) that researchers are able to obtain data neutrally. He stipulated that we are not passive receivers of sense data; there can be no 'theory-neutral observational language'. Kant was also critical of the positivistic concept of 'Cartesian dualism'; where one differentiates between a separated knower (the subject) and what is known (the object). Kant argued that there is a 'noumenal world' (a reality in itself, a physical, natural and social world) and as we cannot neutrally observe or access it, we are 'stuck' or 'trapped' in a phenomenal world, a

reality for us: "we automatically select, limit, organize and interpret our experience of external reality." (ibid: 65).

According to Kant the world appears in our consciousness, it is filtered through our 'a priori' cognitive structures or transcendental factors (factors in a system e.g. elements of culture) which we cannot evade. By engaging with the world, we therefore create it phenomenally. In effect, "we endow the world with meaning" (ibid: 65), the opposite of early empiricist belief. Kant argued that the categories, concepts and meanings people use only appeared to originate from what they took to be the external world. In fact that they were actually based on inherent a priori cognition (i.e. learned through social interaction and experience). We are thus merely able to interrogate our reflections of a priori experience. Rorty (1979) adds that:

"the Kantian picture of concepts and intuitions getting together to produce knowledge is needed to give sense to the idea of 'theory of knowledge' as a specifically philosophical discipline, distinct from psychology ... if we do not have the distinction between what is 'given' and what is 'added by the mind', or that between the 'contingent' (because influenced by what is given) and the necessary (because entirely 'within' the mind and under its control), then we will not know what would count as a 'rational reconstruction' of our knowledge. We will not know what epistemology's goal or method could be."
(168-169)

At present, Jürgen Habermas, another member of the 'Frankfurt School', is viewed as one of the most renowned advocates of critical theory (Johnson and Duberley, 2000). Having adopted the Kantian position, Habermas, has criticised positivism for neglecting the epistemic subject (or knower). He argues that the knower is conditioned by the influence of socio-cultural factors; a process of social construction. This process foils all positivists' attempts to gain objectivity. Perceptions, Habermas argued, are pre-categorised by the mind, factors like previous experiences or learned and handed down practice all influence our cognitive processing of sensory data. The 'physical apparatus' restrains observational capacities, it is therefore impossible to observe everything (Johnson and Duberley, 2000). As Parker adds: "we cannot know all there is to know" (1995: 555).

Like Kant, Habermas follows a phenomenological approach. As Johnson and Duberley (2000) infer, Habermas accepts that there is a reality which exists independent of us that we cannot fully access: that we can never know. In effect, human cognition shapes reality for us: therefore the knowing subject utilises a priori categories and concepts in every act of perception and thought. Habermas believes that knowledge is mediated by social experience.

According to Habermas (Johnson and Duberley, 2000) knowledge is based on principles that differentiate it either from the natural sciences or the social sciences (humanities). He initially differentiates between two 'object-constituting' categories of knowledge, both of which are

pivotal to human needs, Firstly he refers to an 'empirical-analytical' science involving 'instrumental action' which deals with aspects of the physical world e.g. moving bodies, water or wood. Secondly, Habermas mentions knowledge that is involved with social 'interaction' and communication between human beings, 'speaking and acting subjects' whose 'utterances' and 'conditions' we experience and understand symbolically. This area is also titled as 'historical-hermeneutical' science.

Additionally, Habermas identified a third constitutive interest of knowledge called 'critical science' which originates from an 'emancipatory interest'. Here Habermas calls for the individual's critical self-reflection so people free themselves from domination exerted through the systematic distortion of communication and interaction. He contends that this domination and repression is imposed through the exercise of power that justifies itself through discourse and the pretence of consensus.

Habermas (1971) argues that often validity claims are distorted through the exercise of power imbalances. Asymmetrical structures of power and domination inhibit social interaction and consensus through systematically distorted communication. Communication may appear democratic but is in fact distorted as more powerful elements misuse it to inflict their own ideas or preferences upon the less powerful.

It is the goal of the critical sciences, Habermas says (Johnson and Duberley, 2000), to facilitate the process of self-reflection, it empowers the individual by developing his (or her) emancipatory interest and by giving him more control. Habermas stresses that it is pivotal to develop self-knowledge and an understanding generated through self-reflection so that the 'unconscious is made conscious', an enablement of self-conscious decision-making.

The patterns of language usage encountered in daily communicative interaction create knowing and understanding. In Habermas' view humans are a 'symbol-using animal':

"What raises us out of nature is the only thing whose nature we can know: language. Through its structure, autonomy and responsibility are posited for us. Our first sentence expressed unequivocally the intention of universal and unconstrained consensus. Taken together, autonomy and responsibility constitute the only idea we possess a priori in the sense of the philosophical tradition." (Habermas, 1971: 314)

Essentially, Habermas endorses discourse that emerges in 'ideal-speech situations'. These 'fair play' situations ensure that all participants are given equal opportunity for expression. He argues that the fundamental faith in the 'power of reason' constitutes the central tenet of producing truth claims. Constraints such as domination, especially differences in power, status, authority and culture should be overcome, Habermas (1984) insists.

Habermas' ideal-speech situations (Johnson and Duberley, 2000), require a condition where all participants have equal opportunity to participate, a right to state, defend or mistrust factual or normative claims without being constrained by differences of status or role. In order for knowledge to achieve a status of legitimation, it must be discursively produced by stimulating socio-rational consensus, without compulsion, oppression, distortion or deceit. Knowledge, Habermas claims, should not only be the privilege of a group with fortunate access. Legitimate knowledge should be disseminated and accessible to all. If this is achieved, then discourse between individuals will reach a consensus about truth and the validity of norms, resulting in a discursively produced rational consensus. To Habermas, consensus must come out of discourse that is agreed through unimpeded public debate. Thus, truth resides within democratic relationships; its level of validity is dependent on the degree of social repression and distortion it is subjected to. Bernstein (1995) contends that:

"the participants in an ideal speech situation [must] be motivated solely by the desire to reach a consensus about the truth of statements and the validity of norms." (50-51, bracket added)

In order to attain ideal-speech situations, the participants must have 'communicative competence' which entails criteria like:

- 'Comprehensibility': the proposition is understandable by speaker and hearer.
- 'Truth': the proposition concerns a true situation (sharing knowledge of the objective world).
- 'Sincerity': the expressed intentions are honest (establishment of trust in the subjective world).
- 'Normative': the norms referred to in the speech are correct or socially acceptable (in the social 'environment').

(compare Brand 1990; Habermas 1984)

Habermas emphasises that there is a distinct difference between observing nature and observing people (Johnson and Duberley, 2000). Enquiry into social activity requires understanding meanings that are developed within the social context and the individuals' 'environment'. The individuals' 'environment' refers to those activities and ideas resulting from their ties to institutional, social and economic structures. Essentially, the socio-cultural factors condition sensory experiences.

2.2.2 Critical Realism

At this point the basic concepts of 'critical realism' are briefly introduced. The founder of critical realism, Roy Bhaskar (1986, 1998), examined whether society can be studied to the same

extent as nature. Essentially, he concluded that the structure of generating knowledge in both social and natural sciences is the same; he asserted that it is possible to have a unity of method under which the methods of both natural and social sciences can fall, although he stressed that there are differences in these methods. According to Bhaskar's understanding, beliefs signify social objects: "it is the nature of the object that determines the form of its possible science" (Bhaskar: 1998, 3).

Critical realism follows a Kantian approach of transcendental arguments where the conditions of the possibility of knowledge are the human mind. Bhaskar argues that the conceptual categories that people use to recognise and understand social events are socially (institutionally) and historically determined. Social sciences deal with human relations that are real but not empirical. To Bhaskar causal laws are invisible; they are entrenched in the natural structure (Bhaskar, 1998).

Other than in empiricism, Bhaskar (1986) emphasises that human experience cannot be equated to objective reality. Experiences are always structured by our human concepts. Other than in postmodernist belief, however, reality is not simply constructed in our minds. In critical realism the existence of an objective reality in all of our actions is assumed; this relates especially to knowledge claims concerning cause and effect relationships. Human beings can essentially conceptualise a number of interpretations of the world. Thereby, truth assertions can be overthrown by novel findings.

In critical realism, "social reality consists in part of social actors' concepts and understandings" (Hughes and Sharrock, 1997: 165). Critical realism is 'value cognisant' (Bisman, 2002), its followers are conscious of human systems and their values.

Archer et al. (1998) stipulate that the involvement of 'human agency' leads to a rejection of the possibility of a theory-neutral observational language and a correspondence theory of truth. There is no independent standpoint, no pure data. People experience the world in terms of the 'stories' they tell about it. Experiences are produced through narratives and concepts. Knowledge to realists is historically and socially constructed. Critical realism aims at generating causal explanations. Archer et al. add that the validity of knowledge is sought through corroboration and tests of 'practical adequacy': "Criterion that determines the truthfulness of knowledge through consideration of the extent to which such knowledge generates explanations regarding the results of human action that are actually realized. In other words, the extent to which knowledge is practically useful" (Gill and Johnson, 1997: 178).

Critical realism is rooted in the concept of 'alethic truth'; "the discovery of the reason for things ... the underlying generative mechanisms which stratify and differentiate the world" (Bisman, 2002: 11).

Truth in critical realism relies upon notions of consensus and coherence. In coherence theory, Bisman contends, an observation sentence is only justified or warrantable if it is verifiable within a theory. Truth therefore signifies coherence within an interrelated system. In other words, it is the belief that a proposition is true to the extent that it agrees with other true propositions; therefore, the truth conditions of propositions reside in other propositions.

The consensus theory "asserts that an observation is true when there is general group agreement (e.g. in the community)" (12). These theories of truth are in contrast to positivism, where an observation sentence is accepted as true when it "corresponds to, or is 'isomorphic' with reality" (ibid: 12) Bisman adds.

Knowledge and truth in critical realism require constant self-introspection, Bhaskar (1986) emphasises. Critical realism does not entail any claim for permanent, neutral or historical foundations. Its advocates accept that it is inherently value-laden.

While critical realism denounces positivist shortcomings, it also seeks to free itself from contentions of relativism:

"The philosophical imperative for the critical realist is that truth must be more than the outputs of a language game yet it cannot be absolute." (Johnson and Duberley, 2000: 151)

Although truth is important, critical realists are mainly concerned with issues of ontology (Dobson, 1999).

Critical realism seeks to identify underlying, invisible 'generative mechanisms' ('causal laws') which, embedded in the natural structure, lead to certain events or actions (Bisman, 2002). Generative mechanisms have underlying powers that lead to the occurrence of things; they signify a key concept within critical realism.

"We will only be able to understand – and so change – the social world if we identify the structures at work that generate those events and discourses ... These structures are not spontaneously apparent in the observable patterns of events, they can only be identified through the practical and theoretical work of the social sciences." (Bhaskar, 1989: 2)

For this study it was important to discover the reason for things (underlying or hidden mechanisms). This idea is deeply grounded in realist thought; 'realists':

"claim that social entities (such as markets, class relations, gender relations, social rules, social customs or discourses and so on) exist independently of our investigations of them. ... That many of these entities are disputed and not directly observable (and hence refractory to quantification) does not rule them out of consideration for analysis, a position that distances realist- from empiricist- or positivist-orientated analysis.

Furthermore, that these disputed entities exist independently of our investigations of them distances realism from postmodernism." (Ackroyd and Fleetwood, 2000: 6)

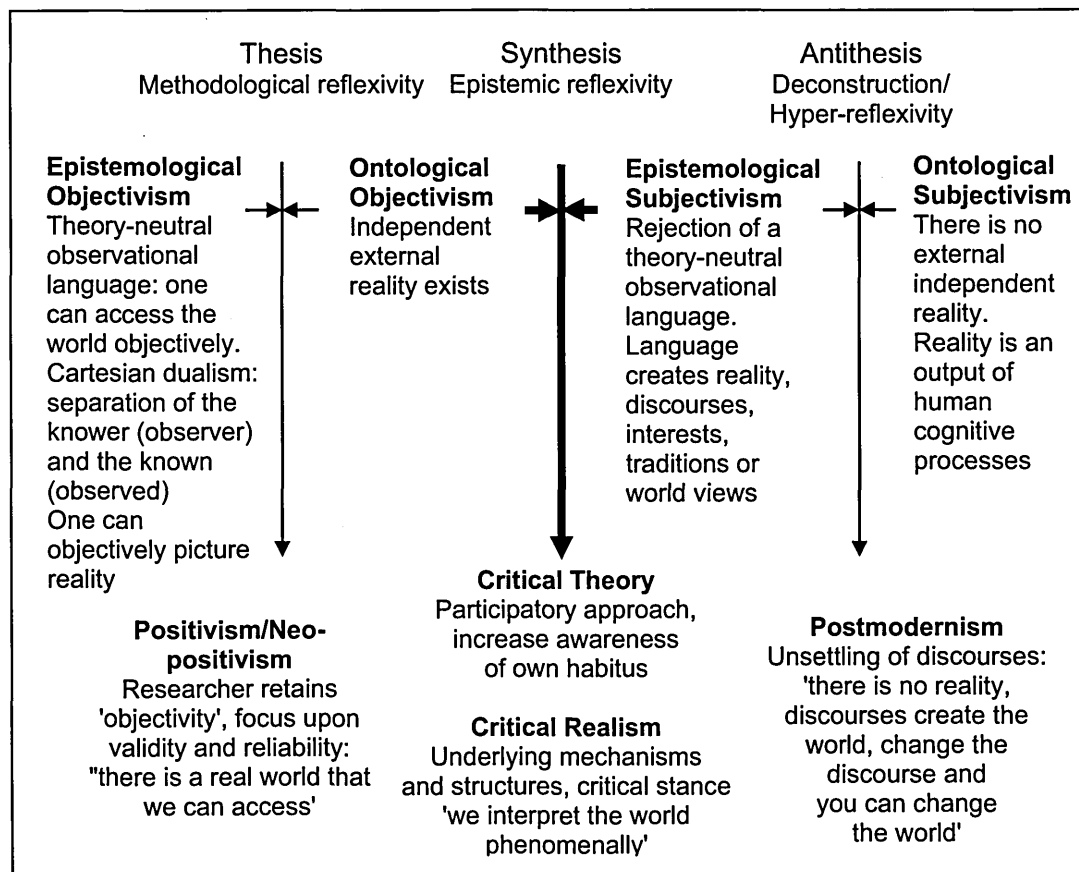
According to Bisman (2002), critical realism is more 'scientifically flavoured' and less radical than critical theory. Critical realism is both scientific and transcendental; it sees the world as structured, shifting and differentiated.

Critical research philosophies, like critical theory and critical realism (see Johnson and Duberley, 2000), share their dedication towards social critique, exposing suppressive and alienating forces of the status quo. The critical branch of philosophy essentially aims for emancipatory behaviour, seeking to improve people's conscious ability to change their social and economic circumstances. This advancement of human life is frequently constrained and inhibited by social, cultural and political domination (Myers, 1997).

Like critical realism, emancipatory science implicates freeing individuals from false beliefs and "oppressive social arrangements" (Hammersley, 2002: 35). Science in Bhaskarian terms, Hammersley elaborates, comprises of several endeavours "telling us about *what is*, about *why it came to be the way it is*, and about how it *ought* to be" (35, emphasis in original). Both critical theory and critical realism, Bisman (2002) maintains, seek to participate in criticising and changing the world. In contrast to critical theory, critical realism seeks to "unmask hidden realities" (14).

The following figure illustrates how critical theory and critical realism are positioned in contrast to positivism/neo-positivism and postmodernism:

Figure 2.1 Epistemological and Ontological Commitments



Source: adapted from Johnson and Duberley 2000; Johnson and Duberley 2003

2.3 Key Concepts of Critical Realism

Some of the key assumptions of critical realism are presented in the following sections. It is important to note that all subsequent research activity is deeply embedded in these beliefs. These presumptions impinge on the analytical process (Chapter 4) and support the reconciliation of the research findings (Chapter 6).

2.3.1 Transitive and Intransitive Dimensions

Critical realist philosophy (Johnson and Duberley, 2000), adopts a subdivided ontology in which social and natural reality consists of 'intransitive dimensions' which are not observable and which exist independently of our human knowledge. These intransitive dimensions refer to the actual underlying structures of reality. In critical realism it is assumed that an external and independent (intransitive) reality exists which is inconceivable to us.

People's 'Intransitive' dimensions describe the underlying structures of reality, in effect the objective reality that we cannot access (Bhaskar, 1998).

Transitive dimensions, on the other hand, refer to our perception of reality. "Different people may apprehend different (i.e. transitive) realities according to the varying paradigmatic, metaphorical or discursive conventions deployed through their human agency." (Johnson and Duberley, 2000: 154). In critical realist thought a natural and social reality exists independently of human knowledge (Archer et al., 1998).

Kant's approach stipulated that there was a necessity for individuals to have conceptual categories in order to comprehend and identify social events, in other words the human mind allows for conditions of the possibility of knowledge. In critical realism (Myers, 1997) social reality and conceptual categories are not assumed to be exogenously determined but rather historically constituted, produced and constantly reproduced by human beings (see also Bhaskar, 1998).

In terms of a merger, people will have perceptions of ongoing events and their immediate effects on their social surroundings. This reality describes their 'transitive' reality. People will thus base their interpretations and conduct their analysis based on this perceivable dimension.

According to Danermark et al. (2002), "The transitive dimension is socially determined and changeable." (200) Therefore, this will also pertain to all knowledge as it consists of theories and notions grounded on our perceptions of transitive reality (Danermark et al., 2002).

Things related to the merger that are not perceivable for an individual occur in the intransitive dimensions. These can be all those things that impinge upon the individual although the causes for this influence remain indiscernible.

A key term of critical realism is 'epistemic fallacy', which refers to the failure of not being able to distinguish between reality and our conception of reality. As we cannot perceive an objective reality, our possibilities of gaining truth and knowledge of this intransitive domain is predestined to be 'fallible' (Collier, 1994). Hence, there is a risk of making faulty statements about what is 'true' and 'real'. Epistemic fallacy equates to:

"Reducing reality to empirical observation, that is, apprehending and defining reality as identical with empirically grounded conceptions." (Danermark et al. 2002: 205)

This study is limited to exploring communication phenomena set in the transitive dimension. Intransitive reality remains inaccessible. All claims have the risk of being erroneous. There is no ultimate knowledge or truth so that existing or evolving theories may be overthrown by succeeding research. With the help of abstractions, certain notions about the intransitive domain may possibly be made, but these assumptions cannot be substantiated through 'conventional' empirical observation.

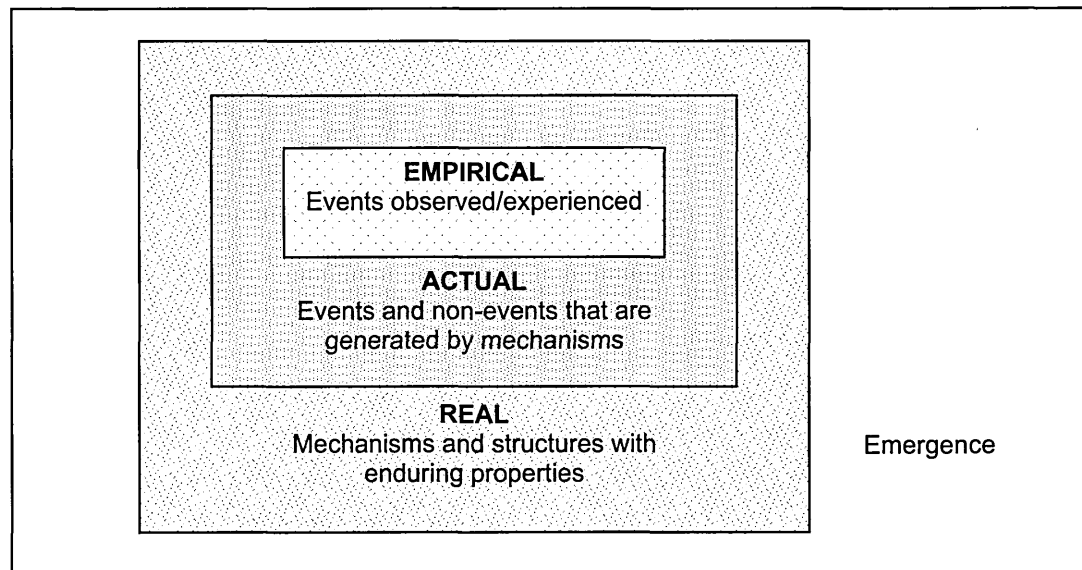
2.3.2 Stratified Ontology

Supporters of critical realism assume that reality consists of three layers:

1. The 'real' layer signifies an unperceivable realm which possesses deep or underlying mechanisms that have generative powers leading to observable events (Danermark, 2002). The real layer possesses structures and mechanisms bestowed with enduring properties (transfactual) (Mingers, 2002).
2. The 'actual' layer exists in time and space. This layer denotes the realm in which events occur: "all the things which happen independently of whether they are observed or not" (Danermark, 2002: 57). It signifies the layer in which events and non-events are generated by mechanisms (Mingers, 2002).
3. The 'empirical' layer signifies the realm of experiences or observation which one can empirically observe: the empirical layer "is comprised of our experiences of what actually happens" (Danermark, 2002: 57) or in other words the "domain consists of what we experience, directly or indirectly" (Danermark et al., 2002: 20).

Social phenomena originates from underlying real structures, it becomes actual and finally empirically observable. In positivistic thought, structures and mechanisms leading to events or non-events are not investigated as they are declared unobservable (Mingers, 2002).

Figure 2.2 Stratified Ontology



Source: adapted from Mingers, 2002: 299

The social world involves 'emergence' which is a description of the phenomena that have arisen through the combination of several elements. 'Emergence' describes the "appearance of

something new; objects composed of other objects so that new structures, powers and mechanisms have appeared" (Danermark et al., 2002: 205). According to Sayer (2000):

"critical realism argues that the world is characterized by emergence, that is situations in which the conjunction of two or more features or aspects gives rise to new phenomena, which have properties which are irreducible to those of their constituents, even though the latter are necessary for their existence." (12)

Reality is an ever changing dynamic complex. One must be aware that personal experiences (perceptions) can be misunderstood:

"The real world is neither confined to our experiences, nor is it fully explainable in terms of these experiences. Our experiences are delimited to a narrow range of events, and these events are again caused by mechanisms which may only be identified through their effects (events). Some mechanisms may block effectuality of other mechanisms and thereby render them outside of the empirical world for the time being. Causality is thereby related to the activation of mechanisms which are embedded in the structure of objects." (Wad, 2001: 3)

Reality in critical realism consists of different levels or so-called 'strata' that are "hierarchically ordered" (Danermark, 2002: 57). Lower levels create the conditions for higher levels. Danermark stresses that each level has unique (non-related) generative mechanisms which are different for each level. Therefore, one cannot degrade the causes of occurrences on one level to another level, regardless of whether a level is higher or lower than the other. Some of the more important levels include:

1. 'Social and cultural level'
2. 'Psychological level'
3. 'Biological level'
4. 'Molecular level'

On each level, new mechanisms are continuously being created (emergent powers) (Danermark et al., 2002). In critical realism, research usually focuses on the social levels where 'social powers' constitute 'social phenomena'. Thereby, mechanisms from other levels may also be engaged or active. Sayer (2000) notes that:

"social phenomena are emergent from biological phenomena, which are in turn emergent from the chemical and physical strata. Thus the social practice of conversing is dependent on one's physical state, including signals sent and received around our brain cells, but conversing is not reducible to those physiological processes.

Reductionist explanations which ignore emergent properties are therefore inadequate."
(13)

Some authors like Layder (1993) divide the social world into interrelated levels. In this model, the highest social level is referred to as 'context'; it signifies the 'macro social organisation' like social and economic organisations, values, traditions or power relations. This level is followed by the 'setting', which relates to the 'intermediate social organisation', like labour markets, military (work) and social clubs (non-work), thirdly the 'situated activity' or 'social activity' involving face to face activity, the use of symbolic communication, a focus on views and understandings and finally the 'self' which pertains to 'self identity' and 'individual's experience' which concentrates on the personal life career.

"Social reality must in principle be regarded as a constantly changing complex totality made up of interwoven, and partly non-observable, effective and affected social properties and processes on different levels." (Ekström, 1992: 118)

As the layer of the 'real' is inaccessible to direct observation, it appears necessary to make abstractions in order to identify underlying communicative occurrences. The choice of methodology must therefore be guided by a suitable enquiry strategy.

2.3.3 Structures, Mechanisms and Events

One of the key assumptions of critical realism centres on the interplay of structures, mechanisms and events. Hence, following terms are important for understanding critical realist conceptions:

- 'Structures': structures are enduring and facilitate or constrain the relationship between objects; they represent "a set of internally related objects" (Danermark et al., 2002: 206). Things can be equipped with powers due to structures (put powers into effect). Structures, however, only shape or form events but do not directly cause them.
- 'Mechanisms': located in the domain of the 'real', a mechanism causes certain things to happen in the world. Mechanisms are capable of generating events or non-events. When triggered, mechanisms lead to directly or indirectly observable 'events'. Mechanisms have 'generative' properties and like structures they are 'relatively' enduring. Research seeks to pinpoint generative mechanisms that lead to a concrete phenomenon. Thereby, consideration must be given to identifying counteracting mechanisms.
- 'Causal powers': worldly objects possess certain forces (causal powers) or intrinsic properties; these forces are bound to the object or lie in their 'nature' (see mechanisms).

- 'Events': they represent the directly or indirectly observable (concrete) outcomes or occurrences which result from activating a generative mechanism.

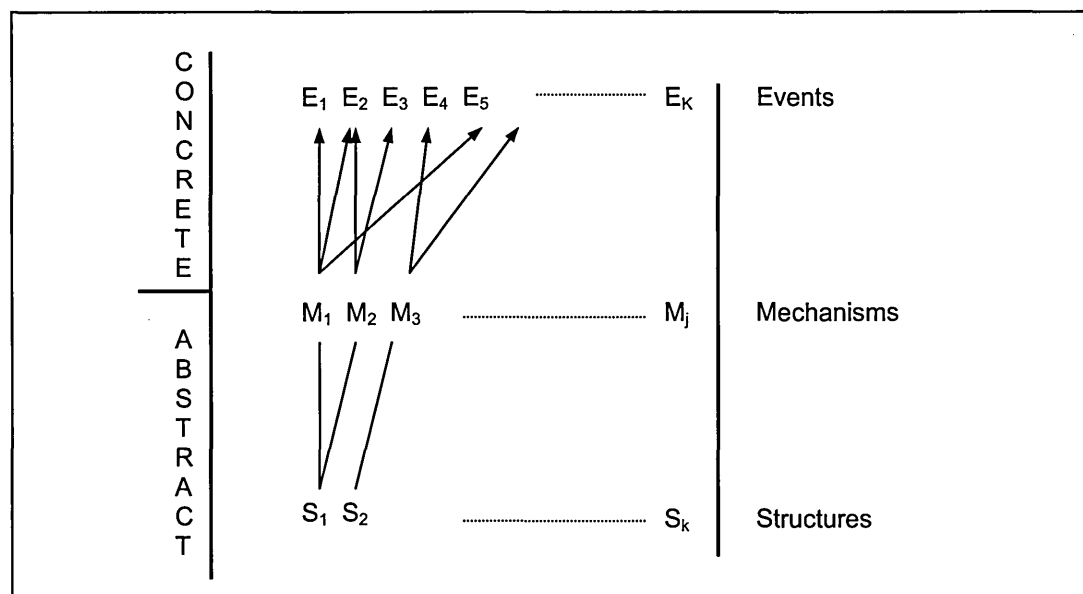
(Source: adapted from Danermark et al. 2002)

Critical realism assumes that the world is shaped by structures and mechanisms; "that there are enduring structures and generative mechanisms underlying and producing observable phenomena and events" (Bhaskar, 1989: 2).

Social interaction is characterised by its setting in complex contexts in which various mechanisms are at work. In social research it seems a futile task to isolate just one mechanism. Social processes are thus 'contextually determined', often conditioned through factors of culture, class and gender. The 'empirical manifestation', the appearance or the experience of certain mechanisms, thus relies on the context in which the phenomenon is studied (Danermark, 2002).

The following model by Sayer (1992) depicts how structures and mechanisms activate events in the social world. The model illustrates that there are no predetermined causal chains but rather contingent relations. Intervening mechanisms may therefore condition resultant events:

Figure 2.3 Structures, Mechanisms and Events



Source: Sayer, 1992: 117

One of the key challenges of this study is to identify indiscernible mechanisms and structures related to merger communication.

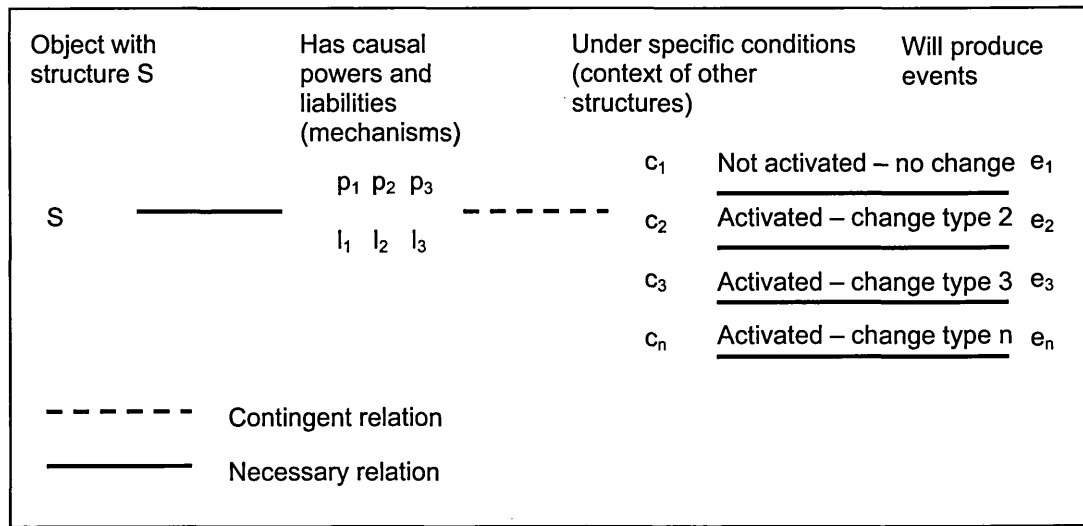
2.3.4 Causal Explanation

Critical realism entails the adoption of causal explanation. Other than in positivism, however, it does not satisfy itself with observing constant conjunctions of events. Critical realists explore the underlying mechanisms, essences, powers or conditions leading to the cause and effect relationships (Johnson and Duberley, 2000).

Critical realism is occupied with the possibility of an object of study; it endeavours to ascertain what the conditions of the possibility of knowledge are. Causal analysis is involved in ascertaining why the things taking place actually happen or it supports us in "explaining how the event came about" (Danermark et al., 2002: 52).

Below a model taken from Sayer (1992) depicts the causal relations assumed by critical realists:

Figure 2.4 Causal Explanation in Critical Realism



Source: Sayer, 1992: 109

From this viewpoint, causation is reliant on the context of the object: thereby contexts are subject to constant change. Set in 'open systems', mechanisms are incessantly influenced by other mechanisms and events. There are no predictable outcomes when a mechanism is set off. For instance, if triggered at another point in time, a mechanism may lead to different events or non-events. On the other hand, comparable events observed may be the result of completely different mechanisms or 'causes' (Sayer, 1992).

"that while there is a necessary relationship between an object and its causal mechanisms, the relationship between the generative mechanisms and their effect is contingent." (Danermark et al., 2002: 70)

Research involving statistical correlation measurement of definite and predefined variables is not suited for identifying causal relations (Ekstrom, 1992), the strengths of these studies lie in providing "important knowledge of descriptive general empirical correlations" (117). Identifying causality requires quantitative and qualitative strategies that adapt to contexts characterised by their complexity and constant subjection to change: "research has to be directed towards constructing - through deep knowledge of contexts - relevant objects of comparison, thereby creating a basis for counterfactual argument" (ibid: 117).

In other words real causal explanation of social interaction cannot be judged by comparison with empirical patterns. Causation is not a matter of how frequently empirical regularities occur, the importance lies in soundly linking certain mechanisms to concrete events (Danermark, 2002).

In social relations, causal powers are invisible and consequently unobservable by the conventional methods used in the natural sciences. We are merely able to observe the outcomes of certain causal powers as they occur in perceived (transcendental) reality (see Danermark et al., 2002).

Following Sayer, Ekstrom (1992) concludes that critical realist research involves emphasis on uncovering internal associations, "meanings of social properties" (117) as well as their subsequent change in time. Social contexts require 'comparative' strategies.

"The force of gravity is assumed to exist even though we cannot observe its effect on the stationary objects that surround us in space ... and certain social norm structures exist even though we may observe actions that infringe them." (ibid: 116)

Although both critical realism and positivism aim at causal explanation of phenomenon, critical realism does not aim at prediction (Archer et al., 1998).

"Prediction has to do with empirical regularities which - no matter how general they are - constitute contextually dependent patterns of events and not causal powers ... regularities are neither a necessary nor a sufficient condition of causality." (Ekstrom, 1992: 116)

As Danermark (2002) suggests, empirical manifestations should not be regarded as empirical regularities but rather as 'tendencies'. Tendencies refer to "the propensity a mechanism has to actualise its power; hence it is related to the properties of the mechanism" (59). Generative mechanisms remain inactive until they are triggered. Whether and with what effect mechanisms will operate depends on the prevailing conditions or circumstances. In social reality there are many concurrent mechanisms which may reinforce or neutralise each other. Thus, what effect a generative mechanism may have once it is triggered is unknown and we can therefore merely

speak of 'tendencies'. Accordingly, theories derived from social research can only provide statements about tendencies rather than prediction.

People's future is not predestined for them. Social reality is not equated to fate or destiny; rather social behaviour is wilful and premeditated:

"Social actions are regarded as the reproduction and transformation of practices and structures that are relatively enduring and already exist for the individual. But individuals are not passive conveyors of roles and structures. They possess causal powers, capacities for bringing about change in reality, this through conscious and intentional activities." (ibid: 115)

It is important to understand that every individual is a unique and complex being set in specific social contexts. When a person is subjected to certain events, this person may react the same or differently from other persons who have also experienced this event. Regardless of how one reacts, the causes for certain behaviour may be multifaceted. One person may allocate a completely different meaning to an event and still visibly behave the same way as another observed person. In addition, when two people experience the same event and give the same meaning to it, they may not necessarily react in the same way. Human behaviour is thus influenced by many inherent factors.

2.3.5 Open Systems

Critical realism presupposes that the natural and social world consists of 'open systems' (Archer et al., 1998). In open systems, there are extraneous forces or mechanisms that influence the observation of a mechanism and its effect on an event. In an open system, any given event may have derived from a number of 'causes'. In a closed system (e.g. under experimental conditions) repeated causes will have the same effect on an object.

According to Andrew's (1965) theory, open systems allow for an exchange of material with the environment as opposed to closed systems. Imports or exports of material are not hindered by any boundaries. Open systems are self-regulatory systems that seek to achieve a steady state.

"Social reality, like nature, is regarded as a *changeable, complex and open system, consisting of causally efficacious mechanisms in interaction.*" (Ekström, 1992: 115: emphasis in original)

'Open systems' lead to a number of implications. Downward (1999) concludes, "There is no logical symmetry between causes and events in open systems." (178) Experiments conducted in open systems cannot produce a consistent single interpretation. There are no recurring event regularities; therefore the focus of research should entail explanation and not prediction. Subsequently, less emphasis is given to sampling representative populations. Due to their lack of predictive ability, open systems are inappropriate for deductive testing of theories. In

situations occurring naturally, one cannot establish experimental conditions from which 'laws' can be derived.

In open systems, "generative mechanisms operate in combination with each other; the more mechanisms involved, the more difficult to anticipate the outcome" (Danermark et al., 2002: 206). Studying the social world cannot be conducted under controlled conditions. There are no artificially closed systems in social research which would provide experimental conditions. Human societies are undergoing constant transformation and it is difficult to isolate individual mechanisms from other intervening mechanisms. In addition, we must remember that the objects of knowledge in social science are intransitive while our epistemological capabilities are limited to accessing the transitive dimension (Danermark et al., 2002).

Merger communication is about dealings between humans. These dealings, it is assumed, occur in the social contexts of an organisation and inherently affect the way that people behave. As they are affected by various peripheral influences, merger settings are viewed as dynamic and incessant processes. In other words, the social settings of interest are not static or controllable realms but open systems subject to constant transformation. As Sayer (2000) underlines "Social systems are always open and usually complex and messy" (19); they lack ordered conditions.

2.3.6 Structure and Agency

The interplay between structures and the actions of agents is another key concept in critical realism (Archer, 2004).

Realists generally accept that a stratified reality possesses both structures and agencies. Structures essentially signify the "inner composition of entities in the world which gives them their necessary character (and causal powers) i.e. what they are and not something else" (Morton, 2003: 21). Following Sayer, Morton argues that structures consist of interrelated 'objects' or 'practices' which are attributed with causal powers. He asserts that "Social structures are systems of human relations among social positions. Social positions have interests, resources, powers, constraints and predicaments." (21) Structures represent a 'macro' or 'collective' viewpoint (Dobson, 1999).

Agents on the other hand are individuals who are engaged in actions; agents in effect create (social and cultural) structures, Cruickshank (2002) contends. He accentuates that, once these structures are manifested, they exert their impeding or facilitating effects ('conditioning influence') on other agents. Agents possess a "continuous sense of self" (Archer, 2004: 5), they are "reflexively self-conscious" (5).

Structures and agencies, Archer notes, refer to two distinct but related categories that consist of different powers and properties. Archer emphasises that structures and agencies interact with

one another and thereby result in 'social transformation' and 'social reproduction'. Structural and cultural properties affect agents as they "work as conditional influences upon them" (ibid: 2). Alternatively, it must also be addressed that agents react to these structural and cultural properties induced upon them:

"it is the interaction of two sets of causal powers which determine how structure conditions agency. On the one hand, structural and cultural properties tendentially influence agents (both individual and collective) by exercising the powers of constraints and enablements in relation to different courses of action – both potential and actual. On the other hand, agents own reflexive powers allow them to deliberate about which projects would realise their personal (and corporate) concerns within society and to act strategically in order to promote their concerns. *The mediation of structural conditioning by agency is what happens at the nexus where these two sets of causal powers intersect and interact.*" (ibid: 2, emphasis in original)

Archer adds that due to the concept of stratified ontology, critical realism assumes two disparate sources of emergent powers: structurally emergent properties/powers (SEP) e.g. "distributions, organisations or institutions" (ibid: 4) and culturally emergent properties/powers (CEP) e.g. "propositions, theories or doctrines" (ibid: 4); both of which are inanimate. These emergent powers stand in contrast to animate agents' actions or personal emergent powers (PEP). What is decisive in the analysis of these powers, Archer adds, is not only to show how they converge but also to show to what extent they harmonise or conflict with each other. It is the structural and cultural emergent properties that impose 'constraints and enablements' upon society (objective structures), although they do so without conscious intent or wilfulness. Contrarily, agential properties entail reflexive capabilities. Although introspection may not necessarily change personal circumstances, it allows for the monitoring and controlling of the agent's self, invoking personal strategic decision-making. This form of 'agential deliberations' thus inhibits the generation of 'standardised outcomes' but rather produces 'personal variability'. So regardless of how stringent certain structural and cultural constraints are, agential reflectivity can counteract or bypass these properties or powers. 'Constraints and enablements' although bearing causal powers, are dependent on activation by agents who seek to attain certain 'projects' (subjective projects), 'projects' which are reliant on humans to uphold them. If certain 'projects' are not activated, then these 'constraints and enablements' remain without effect. Archer concludes that:

"the exercise of constraints and enablements will only be a tendential influence because of human reflexive abilities to withstand them and strategically to circumvent them. The effect of these socio-cultural causal powers is therefore at the mercy of two open systems: the world and its contingencies and the human agent's reflexive ingenuity, creativity and commitment." (ibid: 5, emphasis in original)

Structures enable and limit agents' actions whilst at the same time the actions of the agents transform or reproduce the structures (Danermark et al., 2002). According to Archer et al. (1998) structures exist prior to agents and usually outlive them.

2.3.7 Language

Language is described as one of the most important tools in the quest for knowledge. Danermark et al. (2002) pick up on this theme arguing that language not only refers to written or spoken language but also to 'meaning'. Meaning is also communicated through traditions, habits, customs, regulations, gestures, body language or particular actions. Language consists of words and 'concepts' that at first sight appear as neutral and unsophisticated medium with given and fixed regulation of usage. Words are often conceived as being associated with a certain meaning attached to them. This assumption, however, is misleading as meanings of words presuppose a mutual point of reference. Depending on people's experiences and 'life modes', they may express different meanings in their individual language or gestures.

"Meaning is created from the starting point in different practices and in the interactive communication between members in a community where language is the principal medium. But whereas language no doubt is a medium of communication, it is by no means an independent, passive or impartial medium. It does not convey any 'truths' about reality, and it does not reflect in a true way the different notions people have about existence. Often it is quite the opposite." (28)

Language may thus have different meanings to different people due to their differing backgrounds, experiences, perceptions and personal conceptions. The practice of communication is vital for human survival and represents an intervention in the social world, Danermark et al. stipulate. They argue that:

"Words and concepts are not names of anything already existing out there in the real world with set qualities. There are no 'facts' in the common sense of the word. It is characteristic of experiences and facts - knowledge - that they do not 'speak for themselves'. Knowledge has a meaning - hence it 'speaks'. And inversely: when we listen to statements we find meaningless, we find that they do not 'tell' us anything. This is not because nobody speaks, and it need not imply that we do not understand the words. What is missing in such cases is more likely a common frame of reference in the form of previously conceptualized and communicated experiences, which could make the words meaningful." (ibid: 28)

We have seen that 'language' which is apparently definite may have different meanings to different people. If inconsistencies of this kind remain unnoticed during research there is a danger that misunderstanding evolves. It was attempted to interpret the underlying meanings (understandings) 'behind' the language. Therefore, particular attention was given in extensively

explaining all relevant themes addressed. Complex themes were rephrased and/or corroborated with appropriate feedback questions. By using forms of 'comparative analysis' (see Chapters 3 and 4) some of the respondents' statements were validated with those of others.

2.3.8 Conceptualisation and Abstraction

Knowledge in critical realism is gained through conceptualisation. Knowledge and understanding of concepts is constantly created, undergoing change or simply disappearing. 'Facts' whether from the standpoint of the natural or social sciences are conditioned by theory or/and ideology; they are in effect socially defined, Danermark et al. (2002) contend. The natural sciences, however, deal with things that are naturally produced whilst the social sciences deal with things that are socially produced. Even though the objects of the social sciences are socially defined and produced this still makes them real.

Critical realist (social science) research, Danermark et al. elucidate, requires a 'double hermeneutic', as social research is not just single sided interpretation of certain objects of nature. In order to understand the social world it is crucial to comprehend meanings and significances of the people we study. Concurrently, we develop concepts, based on our transcendental view, that seek to go beyond everyday or common knowledge in order to gain a deeper more scientific comprehension or insight of the actors we are studying. The researcher must "interpret other people's interpretations" (32) and is himself (or herself) "a product of social interpretations" (ibid: 200). The ideas, perceptions and understandings of other people are inseparably linked to the object of study. Knowledge is undergoing continuous transformation: interpretations and views and opinions of people have been formed, they are subject to change and re-interpretation as new knowledge comes up.

The research of other individuals must include the entire spectrum of their understanding of the world; this includes their perceptions and views, practical knowledge or common sense. All of these sources find consideration in critical realist research, regardless of whether these ideas are considered to have 'false' or unfounded assumptions. These notions essentially make up what humans are all about and help to explain their behaviour.

Conceptualisation, however, distinguishes itself from some interpretive approaches, Danermark et al. conclude; they accentuate that:

"an interpretation of the 'second order' does not constitute a social scientific explanation ... It is not enough just to build on various social agents' own descriptions and understandings of themselves and of existence. ... social phenomena have material dimension, and it is essential to explore how people's notions and concepts are related to social practices of various kinds ... the presence of power and dominance relationship in society is of vital importance in this context. ... To have

relevance, then, social science conceptualization must both be grounded in the contents of everyday knowledge and integrate the same, while everyday concepts at the same time must be surpassed and surveyed in a theoretical form at a more general level – otherwise no new knowledge has been added." (37)

When doing research we must be aware that all research is theory-laden, Danermark et al. caution. Essentially, researchers are predisposed by personal experiences, principles and conceptions, and these factors condition how and what a researcher observes. Furthermore, there is no detached or neutral point from which he (or she) can embark to conduct research.

Researchers need to recognise that not only the data they collect is theory or value-laden (Bisman, 2002) but that they themselves are also influenced by subjective biases. Therefore, they need to develop 'value consciousness'.

According to Gill and Johnson (1997) people are influenced by prior theories which affect and condition the way they see the world, i.e. influence what people take as 'factual observations'. Interpretation, theory and data are unified as one and become inseparable. The theory-laden nature of observation inevitably questions positivism's faith in the existence of a theory-neutral observational language and a subject-object dualism:

"Thus the issue of how observation is 'theory laden' raises the problem that there is no independent or neutral point from which an observer might occupy and objectively observe the world and thus all knowledge is knowledge from particular points of view or paradigms" (23)

'Conceptual abstraction' is described as an important form of conceptualisation (Danermark et al., 2002). It describes "the outcome of a thought operation whereby a certain aspect of concrete object is isolated" (205). Abstraction, thus by thought, simplifies complex phenomena or objects by notionally separating specific aspects of concrete objects. Abstraction aims at the identification of constituent properties (generative mechanisms) that the object possesses. This process of separation helps to contain the effects of other exogenous influences (other mechanisms) in open systems which may also interrelate or have effects on the concrete phenomenon of interest, Danermark et al. contend. As we have seen, some mechanisms may be enforcing or neutralising each other while some mechanisms may temporarily restrain others.

Causal mechanisms are embedded in the 'real' layer of the social world, as Sayer (1992) notes. He maintains that abstraction allows the researcher to identify the initially hidden, real generative or causal mechanisms that lead to certain phenomena of the social world. In his view abstraction helps to distinguish causal structures, assisting in differentiating between external and internal relations between certain objects or occurrences. There is, however, the difficulty, of actually identifying a suitable methodology that will allow for abstraction.

In critical realism abstraction often starts with an empirical problem, whereby the relation between the deeper causal structures and the concrete phenomenon is analysed. Being an iterative process, further evidence collection may lead to review or affirmation of the generative mechanisms identified. This process continues until 'saturation' is reached, i.e. when the generative mechanisms identified appear strong (dense) and when they are not questioned by other contradictory statements, e.g. further empirical evidence. Sayer contends that:

"Knowledge must grasp the differentiations of the world; we need a way of individuating objects; and of characterizing their attributes and relationships. To be adequate for a specific purpose it must 'abstract' from particular conditions, excluding those which have no significant effect in order to focus on those which do. Even where we are interested in wholes we must select and abstract their constituents." (86)

Merger communication necessitates the identification of relevant mechanisms that generate certain events. For this purpose a number of mechanisms were distinguished during analysis, i.e. implied through abstraction (see Chapter 6).

As we have seen, social research occurs in open systems and there are no controllable research settings:

"We therefore have to rely on abstraction and careful conceptualization, on attempting to abstract out the various components or influences in our heads, and only when we have done this and considered how they combine and interact can we expect to return to the concrete, many-sided object and make sense of it." (Sayer, 2000: 19)

As extensively laid out in Chapters 3 and 4, conceptualisation and abstraction represented a key means of data analysis.

2.3.9 Implications for Research

Critical realists like Danermark (2002) endorse that personal ontological perspectives of the researcher should guide the choice of methodology. Key advocates like Margaret Archer (1995) accentuate that:

"the nature of what exists cannot be unrelated to how it is studied ... the social ontology endorsed does play a powerful regulatory role vis-à-vis the explanatory methodology for the basic reason that it conceptualises social reality in certain terms, thus identifying what there is to be explained and also ruling out explanations in terms of entities or properties which are deemed non-existent." (Archer, 1995: 16-17)

As suggested earlier, it seems questionable whether it is always sensible to adopt the methods used by the natural sciences for research in the social sciences (management research). Gill and Johnson (1997) have critiqued this stance from an 'emic' versus 'etic' perspective:

"research in the social sciences must entail emic analyses, in which explanations of human action derive from the meanings and interpretations of those conscious actors who are being studied. Thus the etic analyzes embraced by deduction, in which an external frame of reference is imposed upon the behaviour of phenomena, are inappropriate where the phenomena in question have subjective capabilities - it is this internal dimension that is the key to explanation in the social sciences." (35)

Critical realists generally endorse methodological pluralism. Within critical realism, both qualitative and quantitative methodologies are recognised for researching hidden mechanisms that generate events. Case studies, unstructured or semi-structured depth interviews as well as statistical procedures such as structural equation modelling or analytic surveys are accepted methods (Bisman, 2002). Sayer, however, warns that it is the 'nature of the object of study' and the research objective which prescribe the methodological route:

"Compared to positivism and interpretivism, critical realism endorses or is compatible with a relatively wide range of research methods, but it implies that the particular choices should depend upon the nature of the object of study and what one wants to learn about it. ... So much depends on the modes of abstraction we use, the way of carving up and defining our objects of study." (Sayer, 2000: 19)

Critical realism is regarded as a young philosophy which is still in the process of liberating itself from positivistic thought (see Bhaskar, 1998; Sayer, 1992). Conversely, Keat and Urry (1982) complain that critical realism as a philosophy gives no clear indication of how it should be applied in practice. The methodological implications of critical realism have received only minor attention, its focus is more on philosophical issues, they argue.

Critical realism needs to draw on methodologies that help to identify 'real existing structures' and 'causal mechanisms'. This scrutiny is preferably done by engaging in 'empirically based abstraction' and 'theory generation' Ekstrom (1992) suggests. Mere description of observable events is not sufficient.

2.4 Preliminary Evaluation

Critical realism takes a novel view of our social world by providing an alternative stance of enquiring into social settings. This philosophical branch encompasses different perspectives of reality and the way that we can interrogate it.

Our presumed capabilities of accessing reality are considered to be different from those in classical research - although reality is assumed to exist we have to examine it under different pre-requisites. In critical realist thought, the world that we see is simply an extract of an objective reality that we cannot access. Our findings represent just one perspective of truth

which subsequent research may repudiate. There are simply other presumptions about our capabilities of enquiry and the explanatory power of the findings we make.

Followers of different epistemological and ontological positions will have similar, some absolutely diverging definitions of truth. What becomes evident is that researchers need awareness of these underlying commitments, both to themselves and to the people with whom they are doing research.

The objective of this research is to get a better understanding of communication in mergers. Reducing communication down to a few variables falls short of explaining this complex phenomenon. In order to understand merger communication we must look at its fundamentals from a holistic viewpoint. Merger communication is essentially reflected in people's behaviour. During the integration phase there are believed to be many underlying forces (mechanisms and structures) which guide human behaviour. Of interest are therefore the real causal linkages behind social action.

It is assumed that human beings do not react 'rationally', they are not machines, some physical occurrence or a mathematical equation; their 'underlying' thoughts are conditioned by their experiences and physical capabilities (e.g. cognitive processing). Human actions will thus remain unpredictable. Positivism's focus on the observable and predictable, it is argued, inhibits its possibility of exploring the deeper human issues, the hidden forces that lead to certain occurrences.

Reality consists of tangible, rigid structures into which people are born. A social world exists, regardless of whether it is perceived or appreciated by the individual. It is, however, not objectively accessible to us. Our physical restrictions inhibit our capability of reality perception.

We use language to shape our understanding of reality: people use it to give meaning to the phenomena that they perceive.

We seek to understand and interpret subjective, value and theory-laden perceptions of individuals based in the social world. Thereby, every individual is biased by his (or her) social world (which is experienced phenomenally). Perception and understanding of reality differ from person to person. When the researcher and the research participants interact, views and opinions are jointly constructed. The researcher cannot free himself (or herself) from bias. These influences, it is believed, affect personal observations and interpretations. Consequently, it is a futile task to suppress personal predilections or to propagate objectivity.

From a critical realist perspective a merger is a typical example of an open system. There are no controlled research settings and many exogenous factors concur. As the merger progresses people's behaviour is directly conditioned by a number of intervening generative mechanisms

which in turn are empowered or set-off by existing social structures. As a result causal powers exert their forces on the individual.

Mergers, it appears, are also characterised by influential agents (e.g. senior executives, experts, academics) who guide or possibly even direct integration processes.

Critical realism provides an analytic framework for the investigation of the implicit forces that direct people's actions. It is assumed that many occurrences related to interpersonal communication in a merger are triggered on lower level realms (real). Hence, their exploration presupposes 'realist' abstraction. Critical realism is about getting inside social situations (mergers) and exposing the causal linkages. Observations in the layer of the 'actual' or 'empirical' provide indications of an effect ('Auswirkung') but do not explain the cause ('Ursache'). Any form of 'empirical' questioning (e.g. interviewing) should thus be supplemented by an abstraction process (by notionally entering the layer of the real). It is felt that only this deeper understanding can clarify communication's bearing.

While conducting the research, it was important to maintain vigilance and constant critical introspection in order to differentiate between ascendancies arising from the analysis and pre-existent personal beliefs.

A critical stance to research practice also involves taking on the responsibility to liberate subjects who are subjected to suppression. Critical aspects were partly integrated into the research question scheme (see Chapter 3).

For the investigation of merger communication a carefully devised data collection and analysis strategy is necessary. The next chapter will therefore outline the methodology and design considerations made.

3 Methodology and Design

"The outcome of any serious research can only be to make two questions grow where only one grew before." (Thorstein Veblen)

As the previous chapter has shown, epistemological and ontological commitments have a fundamental impact on research initiatives with subsequent implications for the research methodology used.

Based on these assumptions, the following chapter presents the proposed methodology and research design route.

Initially, a brief overview of the ongoing quantitative and qualitative debate and its resultant implications for this study are presented. Subsequently, methodological and research design considerations are introduced, including their expediency and potential contributions and later the kind of enquiry techniques adopted and other guidelines are explained. This chapter will conclude by deliberating about suitable evaluation criteria for this research.

3.1 Methodological Route

As indicated earlier, the research project is explorative in nature. The objective was to produce theoretical statements about communication that are data-grounded and self-supportive.

The enquiry was concerned with finding out how people interact when faced with a merger. In this context, the main focus was on analysing the interpretations and perceptions of people who have been directly affected by such an event or who have co-ordinated related transitions. One of the major challenges facing the field exploration phase was to make sense of situations the subjects had been involved in and to evaluate these experiences at a more abstract level.

Human thought occurs in people's minds. These internal mind operations, it is assumed, seem to be subject to a wide range of thought-influencing powers that enforce, counteract or neutralise each other. Although we may observe or describe the resulting human behaviour and generate certain statistical correlations about social activities, it is necessary to pinpoint the underlying causes or 'true' reasons for certain behaviour.

Consequently, a methodology was required that would make it possible to access these indiscernible and complex social domains. This circumstance involved devising suitable methods to collect the necessary data as well as a corresponding analysis strategy. In methodological terms this meant following either a quantitative and/or qualitative approach.

3.1.1 Quantitative and Qualitative Research

To pinpoint the most feasible route for exploring communication in merger contexts, it is necessary to contrast qualitative and quantitative research briefly.

'Quantitative research' essentially draws on 'quantified' or numerical data, testing, measuring and analysing relationships between variables. Its results usually show statistical relationships such as intensity or frequency of particular variables. Quantitative research is usually 'deductive' and is used to verify or falsify a theory or specific hypotheses. Another characteristic of quantitative research is that it frequently uses methods common to natural sciences (see Gill and Johnson, 1997).

Conversely, 'qualitative research' is rooted in interpretive epistemological positions usually applying non-numerical data (Mason, 1996). Qualitative approaches look at aspects of how the social world is interpreted, experienced, perceived and generated. Methods of generating data are adaptable and sensitive to the social contexts in which research is taking place. Qualitative research often involves explanation-building and non-statistical analysis. Furthermore, it usually consists of enquiries into aspects of great complexity, context and detail.

According to Hammersley (1990), qualitative research is usually set in everyday or natural contexts rather than in experimental conditions. In many cases, it involves collecting unstructured data. Often there are no existing hypotheses or any predefined definitions and inductivist reasoning is frequently made use of. Rather than looking at large populations, qualitative studies are concerned with getting into the social settings of individuals, Hammersley adds. Concerns related to generalisability are normally only of ancillary interest to the qualitative researcher Patton (1990) adds.

The following overview distinguishes between the two methodological routes:

Figure 3.1 Qualitative and Quantitative Research Strategies

Quantitative Research Strategy	Qualitative Research Strategy
Emphasises quantification in data collection and analysis	Emphasises words rather than quantification in data collection and analysis
Deductive approach, testing of theories	Inductive approach (predominantly), generation of theories or hypotheses; theories emerge from observation, creation and exploration
Incorporates the practices and norms of the natural sciences. Strong relation to positivism	Rejects the practices and norms of the natural sciences and positivism. Emphasis on the way people interpret their social world
Social reality is construed as an external objective reality	Social reality is construed as a constantly shifting emergent property of the individual's creation

Source: adapted from Bryman 2001: 20-22

Other than quantitatively-oriented social research which seeks to establish correlations between variables, qualitative research often involves observing, describing and generating hypotheses.

"Critics of quantitative research argue that ... experiments, official statistics and survey data may simply be inappropriate to some of the tasks of social science. For instance, they exclude the observation of behaviour in everyday situations. Hence, while quantification may sometimes be useful, it can conceal as well as reveal basic social processes." (Silverman, 2000: 7-8)

Law et al. (1998) assert that views and understandings of people are generally best explored through qualitative approaches.

As Silverman (2000), stipulates, qualitative research is often criticised for its lack of reliability with reference to the consistency of its results if, for instance, the research is done by somebody else or repeated on a different occasion.

Essentially, the choice of whether to adopt a qualitative or quantitative methodology approach should depend on what findings are required (Silverman, 2001). Both qualitative and quantitative routes should not be seen as adversaries and, depending on the settings and research objectives being dealt with, both routes are to be justified.

In order to access more sensitive aspects of social behaviour, this study has relied on a qualitative approach. Merger settings were viewed as uncomfortable situations to those affected; a complex and emotional social issue necessitating a sensitive enquiry strategy. It was felt that a quantitative study would not provide sufficient analytic depth to explore these potentially unsavoury incidents. Capturing people's thoughts about their experiences necessitates an approach allowing more flexibility and insight. Hence, for this case qualitative research is believed to provide better access to other people's social environments. A quantitative approach, on the other hand, appeared to focus too strongly on observable event relationships; describing observable cause and effects relationships instead of facilitating the identification of real causal relationships underpinning visible human behaviour.

There was, however, some reliance on quantitatively derived data. The theory found in existing literature (secondary data) is to a large extent rooted in quantitative traditions. This data was used to supplement and strengthen some of the original qualitative (primary data) findings made. Quantitative data which was already available proved invaluable for gaining a wider understanding of general merger contexts and proximate fields of knowledge.

For this study, the researcher was required to demonstrate dynamic and flexible behaviour involving constant adaptation to changing phenomena and contexts. New ideas emerging during social interaction led to constant modifications of the enquiry method (interview scheme

and structure). Additionally, tentative theoretical statements made were subject to constant reassessment (compare Patton, 1990).

Great consideration was also taken to ensure that the topics were addressed in an intuitive manner. It was necessary to maintain awareness of the social and historical contexts in which the study was taking place. In order to understand other people and their perception there was a strong reliance on the personal empathy skills of the researcher. An attempt was made to become immersed in the research scene by engaging in joint dialogue with the research participants.

In contrast to quantitative research, no endeavour was made to take an objective outside perspective by trying to act as a neutral observer. Rather, it was acknowledged that personal feelings and experiences could influence the process of research analysis. It was therefore important to be aware of personal bias while simultaneously maintaining a self-reflective and non-judgemental attitude. The situation was thus comparable to walking on a tightrope by deferring personal judgements in the research situation and 'getting inside' people's life situations (compare Patton, 1990).

It must be noted here, that some qualitative researchers feel committed to interpreting the world from the view of the research subjects: "seeing through the eyes of the people being studied" (Bryman, 2001: 277). Bryman contends that some qualitative researchers allege that they can achieve '*versteheri*, a neo-positivistic philosophical stance which presupposes that the researcher can objectively reproduce (understand) the interpretations of the research participants (compare Johnson and Duberley, 2000). Reaching a status of absolute objectivity in relation to the research subjects is, however, presumed unattainable. Subjective influences on the researcher are unavoidable. It is assumed that accounts of reality are interpretive; there can be no separation between the knower and the known and that social reality is jointly constructed.

3.1.2 Modes of Inference

The prevailing modes of inference in research are deduction and induction. Both deductive and inductive approaches are, as meticulously described in Johnson and Duberley (2000), deeply entrenched in the differing philosophical commitments of positivism and neo-positivism. 'Deduction' can be defined as:

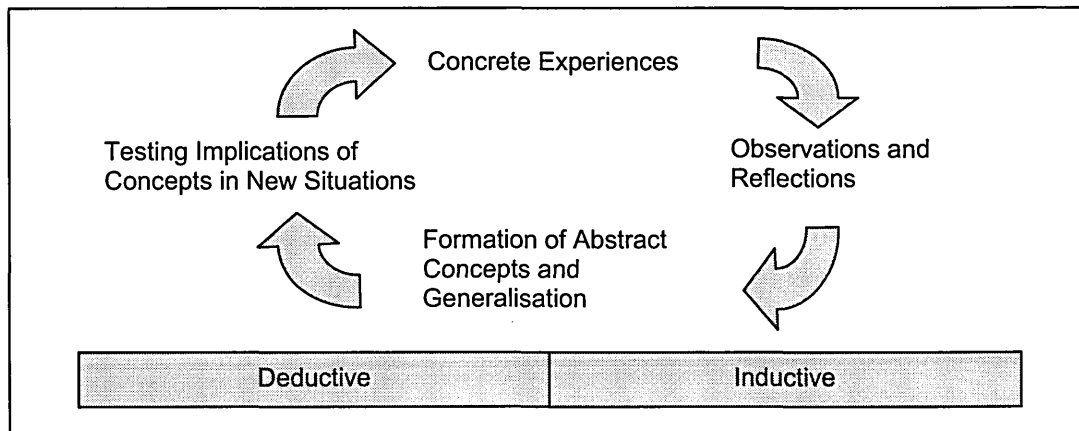
"the deduction of particular instances from general inferences. It entails the development of a conceptual and theoretical structure which is then tested by observation." (Gill and Johnson, 1997: 176)

whereas 'induction' describes:

"General inferences induced from particular instances, or the development of theory from the observation of empirical reality." (177)

Based on Kolb's experimental learning cycle, described in Gill and Johnson (1997), inductive research initially draws upon concrete experience of events. After observations and reflections have been verified, hunches or patterns may emerge. Through further reflection, dialogue and data collection, abstract concepts and generalisations may evolve that will lead to the development of abstract rules, hypotheses or even theories.

Figure 3.2 Kolb's Experimental Learning Cycle



Source: adapted from Gill and Johnson, 1997: 24

Following an inductive approach would thus reflect the right hand side of Kolb's model where observations and reflections made are the basis for developing theories, the eventual outcome of the research (see Gill and Johnson, 1997).

Deductive research on the other hand involves the corroboration of specified theories through empirical observations. The left side of Kolb's model thus represents the conventional starting point for deductive approaches. Theories or hypotheses, for instance, drawn from experience, literature or from other sources are tested through empirical analysis – tested for predicted outcomes. Less relevance is usually given to the source of a theory. Deduction seeks to generate 'covering law explanations' which describe relationships between variables in terms of their correlation or regularity to one another. 'Covering law explanations' are acknowledged for explaining past observations and are also usually regarded appropriate for predicting future observations. Deductive processes of empirical testing can involve approaches aimed at theory validation or falsification, the latter process is also known as the 'hypothetico-deductive' approach (see Gill and Johnson, 1997).

Due to reasons of 'practical adequacy' or the 'extent to which knowledge is practically useful' (Gill and Johnson, 1997: 178) some critical realists have accepted the 'traditional' modes of inference like induction and deduction (compare Bisman, 2002). The author of this study has done likewise by following an inductive mode of reasoning. The objective was to generate (induce) theoretical statements that are 'rooted' in empirical data.

3.1.3 Probing for Design

In order to explore the complexities of merger communication an appropriate research design was selected. The research design essentially specifies the map or route on how data is collected, analysed and interpreted. The research design is a "systematic plan for a research project. Usually includes formulating a strategy to resolve a research question(s). It also details the methods for collecting, recording, processing, and analyzing the recovered data in the field and laboratory." (Webster Online Dictionary, 2004: internet page).

According to Law et al. (1998), the research design should relate to the aim of the research study and to the degree and extent to which participants are involved; for instance to gain in-depth knowledge of their experiences of certain issues. The design should also reflect on the type of intended reasoning and should ideally be congruent to the underlying world views or philosophical assumptions of the researcher.

In choosing an appropriate research design, a number of approaches were scrutinised. Here some of the main designs considered are briefly reiterated: they included 'action research', '[critical] ethnography', 'case studies' and 'grounded theory'. These designs were initially considered appropriate to achieve the research objectives. They were also, some at least partly, in concurrence to personal philosophical commitments.

Bogdan and Biklen (1992) contend that 'action research' is "the systematic collection of information that is designed to bring about social change" (223). Action research goes back to Lewin (1948) who stated:

"The research needed for social practice can best be characterized as research for social management or social engineering. It is a type of action-research, a comparative research on the conditions and effects of various forms of social action, and research leading to social action. Research that produces nothing but books will not suffice."
(202-203)

The process involves a cycle of steps each comprising "a circle of planning, action and fact finding about the result of the action" (ibid: 206). The process can result in continuous modification of the approach. Lewin stresses that it is essentially an approach aimed at promoting change in social settings. Action research is rooted in ideas of democratisation, liberation, empowerment, equality and freeing oneself of unjust and oppressive conditions. The

researcher is an active participant in the research, also actively supporting the realisation of the research objective. Action research endeavours to bring about a combination of practice and theory.

Overall action research is a veritable approach especially due to its emancipatory, democratic and self-reflective philosophical underpinnings. One of the reasons that led to the dismissal of an action research approach was the problem of gaining prolonged, participatory access to an organisation. Those management representatives of targeted organisations contacted were unwilling to allow an external party to access their organisations freely, let alone take active influence upon their integration process.

'Ethnography' was also regarded as a possible design option. It is concerned with learning or studying individuals or groups based in their natural settings. Here, the researcher seeks to understand the situations people are involved in. Being a qualitative approach, ethnography involves description as well as interpretation. This approach is often associated with Clifford Geertz who accentuated that 'thick description' is a key methodological characteristic of ethnography (Washington State University, 2004).

"The ethnographer participates overtly or covertly in people's daily lives for an extended period of time; watching what happens, listening to what is said, asking questions, collecting whatever data are available to throw light on the issue with which he or she is concerned." (Hammersley and Atkinson, 1983: 2)

Based on inductive tradition, ethnography adopts and generates qualitative data and imposes a minimum of structure (Gill and Johnson, 1997). Its emphasis lies "on theory grounded in empirical observations which take account of subject's meaning and interpretational systems in order to explain by understanding" (8). Ethnography is a time-consuming exercise in which the researcher immerses himself (or herself) into the research setting. In order to integrate critical elements into ethnography, specialised branches like 'critical ethnography' for instance, advocated by Thomas (1991), were considered. Critical ethnography adopts emancipatory interests, addressing issues related to power, injustice and suppression. It considers both observable phenomenon as well as unobservable forces that are associated with observable events. Although this approach also appeared to be a fruitful means of investigation, it was also dismissed.

Ethnography would necessitate active participation in an environment where two organisations are integrating. Observations and detailed descriptions would be made on how people interact and collaborate. Ideally, this would require extensive access to an organisation or specific group over a longer period of time. Unfortunately, no access to a suitable organisation could be gained.

Case study approaches were also scrutinised in terms of their practicability. According to Yin (1994), "a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident."(13) Case study research allows the researcher to gain insights into organisational procedures and human interaction which are normally inaccessible for scientific enquiry.

This design would allow for an in-depth investigation of the phenomenon of merger communication. However, case study research would usually necessitate substantial research activity spent on site at one or more organisations (Yin, 1984). This design had to be dismissed because none of the initially targeted organisations were willing to provide access for such an analysis.

Eventually, grounded theory was considered to be an appropriate research design. Grounded theory is a systematic process of data collection and analysis attributed to Glaser and Strauss (1967). Here, a phenomenon is explored in order to distinguish its relevant concepts and categories and their relationships. In contrast to speculative conjectures, the theoretical propositions developed are grounded on data. Grounded theory is usually allocated to the qualitative domain. It draws on distinctive procedures like 'theoretical sampling', 'constant comparison' as well as 'coding' in order to develop theoretical constructs (Strauss, 1987). Data collection and data analysis are fused and iterative, meaning that there is a constant interrelation and modification between these processes (Bryman, 2001).

"A grounded theory is one that is inductively derived from the study of the phenomenon it represents. That is, it is discovered, developed, and provisionally verified through systematic data collection and analysis of data pertaining to that phenomenon. Therefore, data collection, analysis, and theory stand in reciprocal relationship with each other. One does not begin with a theory, then prove it. Rather, one begins with an area of study and what is relevant to that area is allowed to emerge." (Strauss and Corbin, 1990: 23)

Although grounded theory may also comprise deductive elements – induction clearly dominates (Strauss and Corbin, 1998).

Grounded theory design was viewed as well suited and in concurrence with the overall research objectives:

- The methodological objectives of the research are in alignment to grounded theory conventions – both essentially follow inductive and qualitative conventions (compare Strauss and Corbin, 1998).

- In grounded theory the process of proposition and theory-building is a direct result of the research and does not precede it (compare Strauss and Corbin, 1998). The aim of the study is the generation, not the testing, of a theory.
- Grounded theory does not require prolonged access to one organisation for an extended period of time. Research activities can be suspended when needed (compare Strauss and Corbin, 1998).
- Sampling in grounded theory can comprise members from different organisations or backgrounds (compare Strauss and Corbin, 1998). Such a route allowed for certain diversity of the data.
- Grounded theory and critical realism are not in any fundamental philosophical or methodological conflict. Some critical realists have endorsed the usage of grounded theory (compare Yeung, 1997).
- Grounded theory appeared feasible for exposing 'generative mechanisms' and underlying 'structures' (at least notionally) (compare Yeung, 1997).

3.2 Grounded Theory Design

The primary aim of grounded theory is the generation of a theory out of 'raw' data. "In this method data collection, analysis, and eventual theory stand in close relationship to one another." (Strauss and Corbin, 1998: 12) This means that the theoretical accounts generated are not based on any unsubstantiated presumptions, but are rather products of rigid data collection and analytical process:

"Theory derived from data is more likely to resemble the 'reality' than is theory derived by putting together a series of concepts based on experience or solely through speculation. Grounded theories, because they are drawn from data, are likely to offer insight, enhance understanding, and provide a meaningful guide to action." (Strauss and Corbin, 1998: 12)

Grounded theory adopts a methodical and modulated design. Strauss and Corbin (1998) note that it is an approach that relies on "*the procedures of making comparisons, asking questions, and sampling based on evolving theoretical concepts*" (46, emphasis in original).

In grounded theory it is not a specific view, opinion or standpoint of certain individuals that is sought, it is not a specific person that is of interest but certain events. In other words, grounded theory is about analysing data relating to certain occurrences or happenings that people experienced in certain periods of time (happenings relating to substantive themes). As a result,

data collection and analysis did not focus on a specific organisation or person but rather on 'events' or 'incidents' that people experienced in mergers.

Grounded theory typically centres on problems or issues of interest to the subjects studied. It is an approach that explores events interpreted by people. Grounded theory analyses how the subjects deal with situations and engage with others in their natural settings (Strauss and Corbin, 1998). Accordingly, the selected participants were encouraged to talk about personal issues of concern and report experiences that were of interest to them.

"The goal of grounded theory is to generate a conceptual theory that accounts for a pattern of behaviour which is relevant and problematic for those involved. The goal is not voluminous description, nor clever verification." (Glaser, 1978: 93, quoted from Glaser 2004, par. 13)

Essentially, grounded theory seeks to illustrate how respondents see the world (people's perception of reality) rather than to provide a projection of how the world really is (objective world). It also does not entail gaining 'neutral' perspectives or 'objective truths' from the analyst, but rather denotes an analysis of respondents' 'personal truths' (Strauss and Corbin, 1998).

"It is not the researcher's perception or perspective that matters but rather how research participants see events or happenings" (Strauss and Corbin, 1998: 47, emphasis in original)

All interviews were structured only minimally and relied solely on qualitative data. Although all data is acceptable in grounded theory, qualitative data is usually preferred, as Glaser (2004) notes. Furthermore, data can have many forms, it can be 'interpreted', 'vague', 'baseline' or 'properline' and should never be devalued as being 'subjective', 'obvious' or 'constructed'. Grounded theory helps the researcher to sharpen the generated concepts systematically. Hence, all the data from the interviews was accepted as valuable input, people's statements were not devalued in any way i.e. rated for their 'quality' or 'truth'. The subsequent analysis treated the data in an equitable way. No data, for instance, from different group members was rated higher or viewed as more valid.

However, not all statements by the respondents were taken as factual data. During the research, care was taken to remain critical, maintaining analytic distance and constantly questioning the explanations given by the subjects:

"Our aim must be to integrate (not just accept) actor's explanations into our own interpretations. If we accept them without questioning, then, as the anthropologists would say, we have 'gone native'." (Strauss and Corbin, 1998: 291)

Grounded theory is not about description but rather about abstraction; an analytic situation in which one enters or becomes immersed in the data in order to capture the underlying sense. One needs to:

"understand that, from an analytic standpoint, *it is the data that are relevant*, not the *specifics* of a case or an individual or collective ... There is a radical difference between this type of close 'listening' to data (i.e., abstraction from data) and the opposite, which is application or laying on top of data theories and concepts" (Strauss and Corbin, 1998: 66, emphasis in original)

According to Glaser (2004) a key requirement is to avoid making any pre-conceived hypothesis or judgements, the aim is "to listen and observe and thereby *discover* the main concern of the participants in the field and how they resolve this concern" (par. 44, emphasis in original). It is the emphasis on what will conceptually emerge through constant comparative analysis rather than the focus on preconceived frameworks or notions.

Although keeping a certain distance is necessary for grounded theory, it was impossible to escape personal and other people's subjectivity. This stance is also acknowledged by Glaser (2004):

"There is always a perception of a perception as the conceptual level rises. We are stuck with a 'human' view of what is going on and hazy concepts and descriptions about it." (par. 45)

Throughout the fieldwork analysis, special care was taken to maintain 'sensitivity' towards the data. During the enquiry, it was attempted to submerge into the data to find the deeper meaning beneath it. Thereby thought was given not to accept the 'obvious' but to look for the 'new' (compare Strauss and Corbin, 1998). In their earlier text, Strauss and Corbin (1990) describe this as "the ability to recognise what is important in data and to give it meaning" (46). 'Theoretical sensitivity' is about capturing nuances in the data that are not obvious at first glance. During analysis it was kept in mind that "interpretations are the researcher's abstractions of what is in the data" (Strauss and Corbin, 1998: 294).

Embedded in inductive tradition, grounded theory essentially draws on 'emic' understanding. Grounded theory seeks to understand the views and interpretations of the respondents (emic) rather than those of the researcher (etic).

During the research project theoretical frameworks (categories) regarding certain phenomena evolved. Afterwards these categories were then evaluated and associated with each other in novel rather than in conventional ways (compare Strauss and Corbin, 1990).

In grounded theory "appropriate data depends on the object of inquiry; but it is important that much of the data deals with process, intentionality and their outcomes" (Lee, 2000: 21).

Grounded theory deals with inspecting processes or evolving developments, Borgatti (2005) notes. Strauss and Corbin are primarily concerned with "coding everything that is dynamic – changing, moving, or occurring over time – in the research setting" (4). Hence, the data was therefore analysed from different angles of progress.

Grounded theory generally endorses approaches that use varying data sources or as Strauss and Corbin (1990) term them: different 'slices of data'. Correspondingly, data for the primary research originated from multiple sources:

- Verbal reports of the interview participants (interview data transcriptions).
- Observations of the interview scene (especially non-verbal behaviour like facial expressions, postures, gestures and intonations).
- Supplementary documentation provided by the interviewees (analysed after the interviews).

3.2.1 Reviewing the Literature

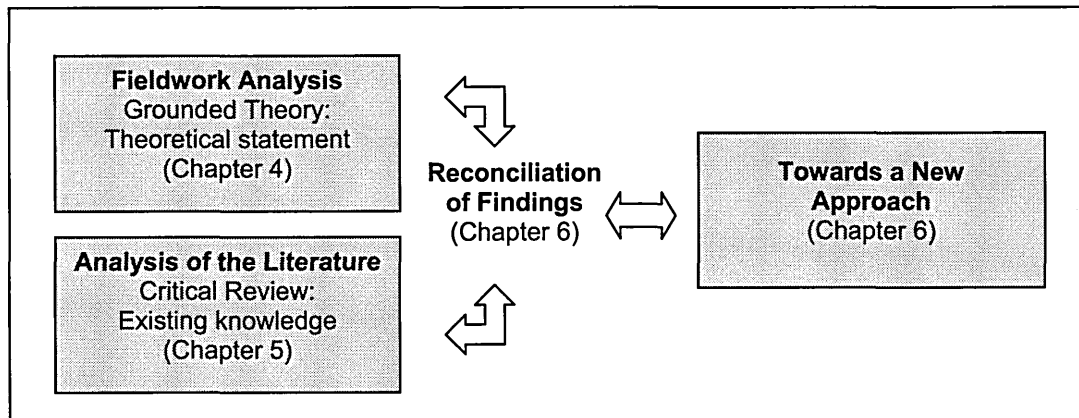
For this study an extensive and independent critical review of the literature was carried out (Chapter 5).

There is a certain controversy about conducting 'conventional style' literature reviews when using grounded theory. Glaser, for instance, argues that grounded theory research presupposes 'theoretical sensitivity' on behalf of the researcher's analytic capacities; the researcher should have no 'predetermined ideas' before starting the research. Glaser argues that "theory emerges from the data not from extant theory" (par. 46). Intensive reading at the start of the research can inhibit the researcher's ability to identify undetected themes – possibly restraining personal capacities for theoretical sensitivity.

Strauss and Corbin (1998) note that: "*All* assumptions of pre-existing theories are subject to potential scepticism and, therefore, must be scrutinized in light of one's own data." (292, emphasis in original) Strauss and Corbin argue that the literature review is important, but should represent just another source of data integrated into the constant comparative analysis (compare Glaser, 2004).

As indicated this investigation has deviated from advocated practice in regard to examining the literature – the review of the literature was conducted separately from the data collection and analysis process. Both the critical assessment of the literature as well as the grounded theory analysis conducted in the field are fully independent analyses.

Figure 3.3 Literature Review and Grounded Theory



Source: Author

Although some overlaps between the preliminary literature review and the fieldwork phases were unavoidable, it must be stressed that the bulk of the literature was analysed after the analysis with grounded theory had already been completed. No work was carried out simultaneously in both areas. Consequently, there were no intrusive influences on the theoretical emergence process required for conducting grounded theory (compare Strauss and Corbin, 1998). The review of the literature had no influence on the emergence of the fieldwork theory.

Reconciling findings from the literature with theoretical findings from the fieldwork at a later stage is in no breach with grounded theory principles. The findings from the literature review are introduced at a stage in which the primary theory building process has already finished: "when the grounded theory is nearly completed during sorting and writing-up, then the literature search in the substantive area can be accomplished and woven into the theory." (Glaser, 1998: 67)

According to personal belief, certain influences are inescapable. It therefore seems a futile task to block all preconceived notions and ideas which may have possibly developed through the preliminary literature review or through other previous personal experiences made. Strauss and Corbin (1998) also acknowledge that "no researcher enters into the process with a completely blank and empty mind." (294)

For this study an independent literature analysis ensured for an additional point of reference for reflecting on and for substantiating the findings of the grounded theory analysis. As previously indicated, the relevant findings in the literature are later reconciled with the research findings (Chapter 6). Both data sources essentially serve as a foundation for the development of a new approach to merger communication.

3.2.2 From Description to Theory

According to Strauss and Corbin (1998), theory is essentially judged by the process of how it was generated. Grounded theory is not about providing 'thick description', it is an analytic means of examining data. Essentially, the value of grounded theory "lies in its ability not only to generate theory but also to ground that theory in data. Both theory and data analysis involve interpretation, but at least it is interpretation based on systematically carried out inquiry" (8).

All efforts of people to communicate, rely on 'descriptions', which "use words to convey a mental image of an event, a piece of scenery, a scene, an experience, an emotion, or a sensation; the account related from the perspective of the person doing the depicting." (ibid: 15) People also engage in 'conceptual ordering' which signifies the "Organizing (and sometimes rating) of data according to a selective and specified set of properties and their dimensions" (ibid: 15). It involves a differentiation of certain characteristics (categorisation, rating) of the phenomenon being studied. Conceptual ordering thus provides the foundation for theory generation. Conceptual ordering, however, often lacks an "overarching explanatory scheme" (ibid: 25).

A theory goes a step further as it helps to explain certain phenomena; it provides an explanation as to why certain accurately generated 'concepts' or 'categories' are 'systematically' interconnected with one another. A theory is a "set of well developed concepts related through statements of relationship, which together constitute an integrated framework that can be used to explain or predict phenomena" (ibid: 15). One enters an abstract form of thinking in which one engages in systematic 'construction' of theory.

"In doing our analysis, we *conceptualize and classify* events, acts, and outcomes. The categories that emerge, along with their relationships, are the foundations for our developing theory. This abstracting, reducing, and relating is what makes the difference between *theoretical and descriptive coding (or theory building and doing description)* ... [grounded theory] takes us beyond description and puts us into a conceptual *mode of analysis*." (ibid: 66, emphasis in original, bracket added)

When analysing data in grounded theory the data is coded (abstracted) into concepts. These concepts denote an abstracted form of any given phenomenon - concepts are thus representations of any occurrences, things or actions identified in the data which are regarded as significant.

After each interview the denoted concepts and categories (higher level concepts) were noted down. As the interviewing continued, the categories were regrouped, sorted and again conceptually allocated to higher level or more abstract categories (initially visualised on a large magnet board). This sorting process continued until more rigid structures evolved (later on a larger wall chart). In order to avoid falling into a mere 'conceptual ordering' or description

(compare Strauss and Corbin, 1998), it was attempted to identify what was 'happening in the data'. As the research progressed these theoretical abstractions were continually reassessed and regrouped and gradually formed a theoretical construct. With the increasing density of these categories, the overall structure was fortified until a core category evolved. Finally, based upon the preceding category-relationship building process, an all-embracing theory was generated. The detailed activities related to the theory emergence are presented in Chapter 4.

3.2.3 School of Thought

An important issue to be kept in mind was that theory is grounded ('emergent') in the data and not fitted ('forced') into preconceived structures (compare Glaser, 1992). Glaser argues that his approach, which was reflected on after Glaser's and Strauss' joint text was published in 1967, is more flexible ('laissez faire') and less descriptive and procedure-oriented than Strauss' later version.

The following distinctions between the grounded theory approaches by Glaser and Strauss are based on Babchuk (1996) who notes that the dissimilarities may not be directly noticeable to the research novice:

Figure 3.4 Contrasting Grounded Theory Designs

Glaser	Strauss
<ul style="list-style-type: none"> - More flexible, fewer rules, less structured - Research is directed by the people questioned - Based on people's perception of their socially constructed realities - Natural emergence of theory (less emphasis on procedure orientation) - Minor or no focus on process - Glaser warns that the coding paradigm (advocated by Strauss) is too reliant on a predefined framework. There is thus the danger that data is 'forced' into existing structures. Preconceived structures inhibit the emergence of theory. The paradigm model also contains the inherent danger of encouraging description - Main focus on qualitative principles - No verification of data, focus lies on theory 	<ul style="list-style-type: none"> - More rigidly structured, many rules, systematic - Enquiry into people's perceived realities, entailing a more detailed description of the social setting - Danger of forced theory emergence (according to Glaser) - Regulated process - Focus on the paradigm model which seeks to relate categories and subcategories in 'new ways' conceptually (drawing on a model involving action/ interaction, causal conditions, consequences, contexts) - Advocates 'canons of good science' like 'replication', 'generalisability', 'precision', 'significance' and 'verification' - Maintains traces of quantitative principles

<p>generation (concentration on induction) - Ideally, no predefined research problem (emerges during research)</p>	<ul style="list-style-type: none"> - Theory generation (inductive elements) and constant verification and validation of emerging theory (deductive elements) - Research questions can have multiple or selected origins
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Source: based on Babchuk, 1996

It must be noted that the differences portrayed here are based mainly on Glaser's critique of Strauss' approach – rather than vice versa. In Glaser's view Strauss is a proponent of a more prescriptive and analytically structured approach. According to Glaser too much focus on procedural issues inhibits necessary creativity and leads to theory 'forcing' rather than theory 'emergence' (compare Douglas, 2003).

Essentially, both approaches are regulated and prescriptive, even though Glaser (1992) may argue otherwise. This thesis has sought to combine the best aspects of both 'worlds'. Certain differences of thinking are evident but these appeared commensurable when applied in practice. Data analysis was sufficiently systematic and process-oriented whilst it also attempted to let theory emerge freely and without force. So both Glaser's and Strauss's influence should become visible here.

In grounded theory not all of the advised procedures have to be strictly abided by in the smallest detail. Their application is dependent on the research aims and may also be confined by issues of practicability. Remaining close to grounded theory procedures, however, ensures that the theory development process is more systematic, sound as well as auditable (Strauss and Corbin, 1998).

3.2.4 Grounded Theory and Critical Realism

As asserted earlier, it is assumed that the choice of an appropriate research methodology and design is directed by the philosophical assumptions underpinning the research. Grounded theory represents a feasible contribution to critical realist research. Lee (2000; 2002), for instance, advocates that grounded theory is consistent with critical realism, offering the most suitable and best developed method for theory formation compared to present alternatives (see also Yeung, 1997; Bisman, 2002).

"In constructing the empirically grounded theory, the [researcher] does not try to simplify; rather he endeavours to capture the complexity of the data by empirically establishing many different secondary concepts and relationships and weaving them together with the core concept into structures and causal mechanisms." (Lee, 2000: 9, bracket added)

Combining a critical realist philosophy and a grounded theory research design also bears some controversy. Danermark 2002 et al. critique on grounded theory as being too empiricist in nature as reality is often not questioned; data based on subjects' accounts is taken as factual. Necessary abstraction and conceptualisation on a more theoretical level, so their argument, is thus undervalued. The authors criticise that grounded theory relies primarily on inductive theory generation, while other modes of inference suggested by critical realists are disregarded. They add that grounded theory also does not give enough consideration to the 'double hermeneutic' or, in other words, it lacks sensitivity in terms as the researcher interprets the interpretations of the people studied.

Critics argue that grounded theory "relies too much on the subject's narrative of concrete social phenomena" (Yeung, 1997: 63). This reliance on 'direct data' from the persons questioned, Yeung warns, bears the risk that both the subject and the researcher become too deeply immersed (essentially trapped) in the research setting. In order to escape from this possible entrapment the researcher needs to raise himself (or herself) conceptually above the data collected at times so that he (or she) is able to identify more macro-like structures or implications not perceivable at the level of the interview setting. Furthermore, 'generative mechanisms' cannot be 'read off' directly from the data, they require further abstraction. In essence, however, Yeung concludes that grounded theory can contribute to critical realist methodology "by grounding abstract causal mechanisms in empirical data" (Yeung, 1997: 63).

According to Strauss and Corbin (1998), data is not taken as factual, one should bear in mind that "*we [do not] use the literature or experience as data per se*. Rather what we do is use the examples to stimulate our thinking about properties or dimensions that we can then use to examine the data in front of us" (44, emphasis in original, bracket added). Research is about being sensitive to the views in the data; examining how the participants interpret their world, not the researcher.

Taking the perspective of an objective observer is impossible, as Strauss and Corbin concede. The researcher's biases based on personal values, experiences or beliefs will run through the entire research, regardless of whether it is qualitative or quantitative. These underlying assumptions can also be fundamentally different from those of the research subjects. Researchers, however, should try to block certain 'intrusions' by taking 'appropriate measures' (for instance, by using the constant comparison method, using different enquiry techniques on the same phenomenon, contrasting the findings with literature, gaining views from different subjects about a certain phenomenon, maintaining scepticism and by taking a more conceptually minded approach to the data).

In dominant literature, Glaser (2005) notes, grounded theory is frequently associated with 'symbolic interactionism' – a sociological view commonly associated with George Herbert Mead

— which examines the social construction of views and opinions between people and/or groups (Wordiq Internet Encyclopaedia, 2003). Glaser emphasises though that grounded theory is an independent inductive method that is not 'possessed' by any theoretical field or discipline (compare Strauss's conflicting statements about Mead's influence in Strauss, 1987).

3.3 Data Collection and Analysis

Having decided on a suitable methodology and design, the next step involved finding an appropriate enquiry method for the primary data collection. The aim was to explore human behaviour during mergers, a highly emotional issue for those involved. Gaining access to these sensitive insights necessitated a delicate as well as an effectual enquiry technique. After evaluating several enquiry methods in terms of their usefulness it was decided to conduct depth interviews. Interviews are common enquiry methods in grounded theory (Strauss and Corbin, 1998).

Consequently, a preliminary 'interview guide' was developed which was to be tested in subsequent interview pilots. The preliminary interview guide developed was structured only minimally.

Prior to conducting full scale interviews in the field, two interview pilots were carried out to ensure that the questions were understandable and in alignment with the research objectives (compare Bryman, 2001). Both participants piloted were former colleagues who had gained merger experience in their organisations. By using an unstructured question scheme the first participant was asked to comment freely on her impressions during this time. The interview, however, quickly lost its initial momentum and began to stagnate. The participant repeatedly expressed doubts as to whether the themes she was talking about were really of any relevance for the research (unjustified self-doubt). The candidate began to concentrate on what she said and how she said it. Apparently, she was trying to be selective in her statements. The unstructured interview approach was not considered suitable for the purpose of the research and it was decided to modify the approach.

Consequently, a semi-structured interview plan for the second pilot was devised. The new interview strategy started from the more general thematic context of the merger (process how the merger started and developed), to memorable incidents (critical events people associated with the merger), the behaviour of superiors and/or colleagues as well as impressions about organisational communication (in regard to the merger). The questions related to both the organisation as a whole as well as to specific experiences made within people's immediate work environment. The questions also concentrated on how the participant experienced the development of certain events as the merger progressed. The semi-structured approach was considered useful and improved the continuity of the enquiry flow. Occasional prompts and

queries were also helpful for clarifying certain issues addressed by the participant (e.g. referring back to casual references made).

At this stage it was felt that the pilots had led to an interview format that was appropriate for field research.

3.3.1 Interview Structure and Questions

Based on the experiences made in the pilots, it was decided to conduct semi-structured interviews (compare Bryman, 2001); this means that a series of questions in form of an 'interview guide' were prepared.

Interviews are accepted techniques of enquiry in grounded theory (Strauss and Corbin, 1998). In critical realism, semi-structured interviews ensure "richness, depth, density and contextual embedding of data" (Bisman, 2002: 11). Semi-structured interviews are supportive in eliciting sensitive themes and are also considered as providing more in-depth findings than structured interviews (Gill and Johnson, 1997).

In grounded theory there are no prescribed interview techniques nor are there any predefined guidelines on how to develop interview questions (Strauss and Corbin, 1998). Questions can be of a theoretical or substantive nature. What is important, however, is to formulate questions that unearth relevant themes ('central phenomenon'). These questioning capabilities reside innately in the researcher. However, with an increasing number of interviews, the researcher's sensory skills are likely to become sharpened (Strauss and Corbin, 1998).

Questions like the ones below were typically articulated at the beginning of an interview (interview guide):

- Illustrate the thoughts that come to mind when thinking about a merger (in general).
- Please elaborate on your personal thoughts that come to mind when you think about the merger experienced.
- Describe how this merger affected you and your work.
- Please recall some of the key events (positive and negative) that come to mind when you think back to this time.
- Describe the feelings that you experienced when the merger was announced.
- Describe how the merger affected your fellow colleagues, superiors and subordinates (where applicable).
- Depict how your thoughts, feelings or attitudes changed during the course of the merger.

- Explain how the merger affected you personally.
- Elaborate on what issues come to mind in regard to 'communication' with your subordinates and the senior management.
- Please state what you liked and what not.
- Put yourself in the position of your superior (organisational head) and explain how you would have acted in his or her place.

(Source: Author)

The questions asked as well as their sequences were contingent on the individual situation. Consequently, the phrasing of questions, the style of the interview as well as the intensity of probing varied. The questions were adapted to the particular subjects (their position, or responsibility held). Depending on the situation some questions were modified, dropped or completely rephrased. Ideally, the participants would speak about their experiences as freely as possible and with minimal interference from the interviewer. The interview process was flexible enough to allow the interviewer to intervene whenever noteworthy themes surfaced.

All interviews commenced with an introductory (kick-off) phase in which the background of the research was briefly outlined. The proposed interview plan was also described (e.g. taking verbatim notes, types of questions asked, confidentiality issues). In order to avoid exerting any influence on the interviewees, no personal opinions or ideas were expressed at this stage. Additionally, only minor indications were given as to how the data would be analysed.

Initially, the questions addressed to the first interviewees were more open and broader. As the number of interviews progressed, the questions became more precise and focussed. At more advanced stages of interviewing it was necessary to strengthen the density of the concepts and categories which had emerged from the preceding sessions.

Contrary to what had been planned initially, the interview sessions were not recorded electronically. Most participants expressed discomfort at having their spoken words stored. As a result verbatim notes were taken (transcripts staying as close as possible to the actual words and expressions given by the subjects). Glaser (2004), for instance, also disapproves of electronic recordings and prefers to use field notes. Glaser (1998) stipulates that electronic recordings bear the risk that the researcher gets caught up in too much detail (focusing on single words or accounts) and may miss the relevant issues and concepts contained in the data. Consequently, the researcher may be hindered in letting the theory emerge freely.

During the interviews there were no experimental conditions of any kind. The interviews were conducted in everyday settings, usually carried out personally and on-site at the interviewees' offices or, when thought appropriate, per telephone conference. All interviews were conducted

in the German language (most participants were Germans or had sufficient knowledge of the German language).

For ethical reasons, each of the interview participants was asked to sign an interview agreement. The subjects were informed that the data collected would be processed for research purposes only. It was also agreed that no personal details of the participants would be disclosed to third parties or published without their prior written consent.

The author has worked as a forensic accountant and internal auditor since 1997. Some of the operational tasks frequently involve the interviewing (sometimes 'interrogation') of members of the organisation. Personal interview skills of the author are thus based on previous interview training as well as many years of professional experience. The interviews for this study were conducted in a sensitive and friendly manner. All participants were treated respectfully and no confrontational interview styles were used.

In most cases, concepts and categories were coded directly during the course of interviewing or shortly afterwards. The background to the data collection (theoretical sampling) and analysis (coding) process is detailed in the next sections.

3.3.2 Coding

Coding describes the breaking down of data into components or parts which are conceptually labelled. During this process, data is fractured, conceptualised and integrated in order to generate theory (Strauss and Corbin, 1998). The link between theory and data is essentially based on a 'conceptual code', which "conceptualises the underlying pattern of a set of empirical indicators within the data" (Glaser, 2004: par. 47). Initially, the codes constituted case specific concepts and later more abstract theoretical categories. The codes thus generated eventually build the theory. The coding process is subject to constant comparison and revision.

"Coding is an ongoing process moving through a series of stages, from open or *in vivo* codes, through to more abstract conceptual codes which indicate a series of relationships which offer a plausible explanation of the behaviour under study."
(Goulding, 1999: 868, emphasis in original)

Depending on the progress of coding, different outcomes are realised:

- 'Concepts': at first concepts are generated through initial coding, they essentially represent labelled phenomena. Strauss and Corbin term them the "building blocks of theory" (Strauss and Corbin, 1998: 101).
- 'Categories': then first categories evolve; they describe concepts that have been 'elaborated' in such a manner that they are acknowledged as signifying a phenomenon of the world.

Certain occurrences sharing similar features or views are initially grouped together and labelled as concepts. As more and more concepts evolve from the data, concepts sharing commonalities are grouped together and classified under a broader and more analytic description. In other words categories condense concepts and explain the setting in a more general sense, they signify "important analytic ideas that emerge from our data" (Strauss and Corbin, 1998: 114). Categories therefore designate a higher level of abstraction than concepts. As Strauss and Corbin note, categories "are the stories of many persons or groups reduced into, and represented by, several highly conceptual terms. ... categories represent the voices of many." (145) Some categories may advance to become a higher level category to which other 'lower level' categories are again adhered or linked to (Bryman, 2001).

- 'Hypotheses/Propositions': tentative indications or suggestions pertaining to associations between different concepts/categories (Bryman, 2001).
- 'Theory': the theory represents the overarching theoretical statement that is produced by the linking of categories: a theory "denotes a set of well developed categories (themes, concepts) that are systematically interrelated through statements of relationship to form a theoretical framework that explains some social, psychological, educational, nursing, or other phenomena" (Strauss and Corbin, 1998: 22).

The analysis of the interview data involved 'open', 'axial' and 'selective' coding as suggested by Strauss and Corbin (1998).

In the first stage of the analysis, the data was subjected to an open coding process allowing first concepts and categories to evolve. Open coding signifies "The analytic process through which concepts are identified and their properties and dimensions are discovered in data" (101). This phase was primarily concerned with identifying what the data (something) was about and taking reference to certain statements or behaviour (occurrences). Essentially, open coding is "the initial process of breaking down, examining, comparing, conceptualizing and categorizing data" (Strauss and Corbin, 1990: 61). Throughout this phase the data was subject to constant comparison and the data was conceptually labelled and relabelled. The early codes were grouped into preliminary structures which were also subject to constant revision and amendment. Open coding was also important for defining the properties and the dimensions of the concepts and categories which had been identified.

During the early stages of open coding, the data transcripts were subject to 'microanalysis' which is a detailed 'line-by-line' text analysis (Strauss and Corbin, 1998). This form of coding is typically conducted in the early phases of grounded theory research. Microanalysis essentially involves the analytic examination and interpretation of texts and was immensely helpful in

building a first skeleton structure. Open coding is applicable to single words, sentences or paragraphs. As the coding process progressed and first concepts developed, the decision was taken to move onto sentence and paragraph coding, and here the primary question was: "What is the major idea brought out in this sentence or paragraph?" (120). The analysis then focussed on ascertaining: what is occurring, what does the situation look like and how do people cope with it?

The open coding and the use of microanalysis provided first indications in regard to the structural relationship between the concepts and categories. When felt appropriate 'in vivo codes' – exact words or phrases taken from the respondents – were used to label concepts or categories (compare Strauss and Corbin, 1998).

Once the first categories had been designated, it became necessary to analyse each category in terms of its 'properties' and 'dimensions'. Properties refer to the identification and definition of the particular features, characteristics or attributes of each category. After individual properties had been defined, its dimensions were projected onto a continuum or range in form of non-quantifiable location points (e.g. varying levels of frequency). In other words, dimensions specify the category in more detail and show potential variations (in this case non-numerical scaling) of the properties within the specific categories.

In axial coding, the second coding stage in grounded theory, the relationship of categories to higher level categories is examined. Axial coding describes the "asset of procedures whereby data are put back together in new ways after open coding, by making connections between categories" (Strauss and Corbin 1998: 96). In other words, a close look was taken at how categories are notionally related (delineated) or how they intersect with each other (e.g. how categories are linked in terms of their properties and dimensions). Unlike a category which stands for a phenomenon, a higher level category (e.g. main category, subcategory, key category) answers questions "such as when, where, why, who, how, and with what consequences, thus giving the concept greater explanatory power" (125), higher level categories provide further 'clarification' and 'specification'.

For this study, axial coding relied on the 'paradigm model' which is a systematic tool that was helpful in linking the higher level categories to the core (central) category. The paradigm model was essential in:

"specifying the conditions under which events, happenings, or actions/interactions are likely to occur, the forms that they take, and the consequences that occur." (Strauss and Corbin, 1998: 284)

The following elements represent the key constituents of the 'paradigm model':

- 'Phenomenon': stands for the subject matter or the main idea.

- 'Conditions': "are sets of events or happenings that create the situations, issues, and problems pertaining to a phenomenon and, to a certain extent, explain why and how persons or groups respond in certain ways. Conditions might arise out of time, place, culture, rules, regulations, beliefs, economics, power, or gender factors as well as the social worlds, organizations, and institutions in which we find ourselves along with our personal motivations and biographies" (130). They can be of 'macro' or 'micro' nature. There are three types of conditions:

'Causal conditions': refer to properties that cause (activate) certain phenomenon to happen or to progress in a certain way. Causality plays an important role in grounded theory; 'causal conditions' are "sets of events or happenings that influence phenomena" (ibid: 131).

'Contextual conditions': give reference to the situational circumstances (contexts) in which the phenomenon is taking place. Contexts "are the specific sets of conditions (patterns of conditions) that intersect dimensionally at this time and place to create the set of circumstances or problems to which persons respond through actions/interactions" (ibid: 132),

'Intervening conditions': "are those that mitigate or otherwise alter the impact of causal conditions" (ibid: 131). These conditions can influence the actions that are taken.

- 'Actions/interactions': purposeful or deliberate activity carried out in reaction to the phenomenon. They signify reactions or responses taken as a result of the phenomenon. These actions/interactions can be target-oriented activities or specific responses performed in order to react, support or address certain phenomena and conditions. Actions/interactions also comprise routines or predefined procedures.
- 'Consequences': represent the deliberate or unintended result of the action taken: "Whenever there is action/interaction or a lack of it taken in response to an issue or a problem or to manage and maintain a certain situation, there are ranges of consequences, some of which might be intended and others not." (ibid: 134). Consequences denote the result of actions/interactions, whether intended, unintended, actual or potential.

In Chapter 4 several examples are presented in which the paradigm model was applied.

The final stage of data analysis in grounded theory is called selective coding. At this stage a 'core category' (sometimes also referred to as the 'central category') was defined. Through further development and refinement of the core category a theory was eventually formulated. Selective coding represents the final stage of coding, and signifies the "procedure of selecting the core category, systematically relating it to other categories, validating those relationships, and filling in categories that need further refinement and development" (ibid: 116). Once a

category becomes the core category, all other categories are linked to it. This core category develops from the evolving 'storyline' and provides the explanatory foundation for the theory (see details in Chapter 4):

"The core category must be the sun, standing in orderly systematic relationships to its planets." (Strauss and Corbin, 1990: 124)

In the figure below the different stages of coding are illustrated in accordance to the tasks that were undertaken:

Figure 3.5 Coding

Phases	Research Tasks
Phase I: open coding	first seven interviews (semi-structured) labelling/naming of first concepts and categories (categories are usually higher level and more abstract than concepts) defining first properties and their dimensions development of first theoretical structure
Phase II: open and axial coding (simultaneously)	modified interviews (nos. 8-25); more focussed questions connecting categories, key categories and subcategories at a later stage subcategories were linked to main categories identification of causal relationships (supported by the paradigm model) connections between higher and lower level categories (analysing the interrelation between main categories, subcategories, key categories and categories) further data collection as a means to saturate categories modification of theoretical structure formulation of first propositions (from the memos)

Phase III: selective coding	<ul style="list-style-type: none">- final interviews (nos. 26-32); very focussed and structured- further modification of structure- continued formulation of propositions- build-up of storyline (supportive account for theory generation)- identification of core category (based on the relation and integration of main and subcategories to each other)- eventual theory generation- reconciliation of literature and interview data (Chapter 6)
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Source: Author

3.3.3 Constant Comparison

The conducted interview process was iterative, drawing on 'constant comparison' to detect relevant themes and emerging categories. For this activity a continuous comparison of certain phenomena within a category was conducted in order to allow first theoretical conclusions to materialise. Constant comparison focuses on "the simultaneous conceptualisation and assessment of the similarities and differences in social interactions" (Wells, 1995: 33) seeking to identify a "core idea that could explain variability in interactions" (33).

The process of constant comparison signifies an interconnected process of data collection, data analysis and hypothesis (proposition) generation. Thereby 'incoming' data is constantly compared to previous data.

During analysis, tentative theoretical statements or early data fragments (like first concepts and categories) were continuously examined and compared with other cases in order to detect any constancy, contradictions or variations. As the research progressed, emergent theory (propositions implicitly embedded in the data) was persistently compared to previous assertions made in the research data. For the duration of this time numerous concepts and categories were added while some of those already existing were extended, merged, reassigned or relabelled. In the final stages of the data analysis 'higher level' categories were constantly compared to each other and evaluated with subordinate categories.

3.3.4 Theoretical Sampling

This study followed 'theoretical sampling', which means that "Sampling is theory driven and, as such, developed in the field as the theory emerges" (Goulding, 1999: 868). This sampling mode is prescribed by grounded theory design (Strauss and Corbin, 1998).

Theoretical sampling is a type of purposeful sampling in which persons or data are singled-out and analysed because of their (potential) theoretical relevance. Targeted respondents are

selected in order to strengthen relevant categories and their related properties and dimensions. Theoretical sampling targets respondents who could presumably increase the conceptual density of emerging theory. Unlike approaches that involve 'statistical sampling', 'theoretical sampling' cannot be planned prior to the research; it is rather an ongoing and continual process that is conducted as the data analysis moves along: collecting and analysing data is carried out simultaneously and sequentially. The sampling focus varies according to the form of coding (open, axial or selective) that is being applied (Strauss and Corbin, 1998).

"Theoretical sampling is the process of data collection for generating theory whereby the analyst jointly collects, codes and analyzes the data and decides what data to collect next and where to find them, in order to develop the theory as it emerges. The process of data collection is controlled by the emerging theory, whether substantive or formal. Beyond the decisions concerning initial collection of data, further collection cannot be planned in advance of the emerging theory. Only as the researcher discovers codes and tries to saturate them by theoretical sampling in comparison groups, do the successive requirements for data collection emerge." (Glaser, 2004: par. 51)

Grounded theory aims at making discoveries. At the outset it is unclear which concepts and categories will evolve. Consequently, any sampling conducted is guided by the theoretical structure which develops as the research progresses (Strauss and Corbin, 1998).

Glaser and Strauss (1967) argue that 'theoretical sampling' is not focussed on sample sizes like probability sampling, but rather it is purposeful. Gaining representative samples of larger populations is not the objective of grounded theory. Essentially, the population of potential participants comprises all subjects who have recently witnessed or co-ordinated organisational integration.

For this study the participants questioned were selected based on the expected contributions that they could make in developing a theoretical framework, i.e. an evolving process. Consequently, certain objectives were defined for each interview (compare Figures 3.7, 3.8 and 3.9). Thereby, the defined objectives set the basis for the targeting of candidates, i.e. the rationale for selection. In other words, only subjects were selected who were expected to provide knowledge for each objective defined.

Eventually, 32 participants were questioned who had been affected by a merger or who had other relevant experiences related to organisational integration. The interview participants comprised participants from several groups: employees, managers and merger experts. In the figure below the final participant structure is presented:

Figure 3.6 Interview Participant Profile

Group	Participants	Women	Men
Employees	17	4	13
Managers	11	1	10
Experts	4	0	4
Total	32	5	27

Source: Author

The participants were aged between 29 and 62; all had at least five years prior work experience. Participants, however, were not selected because of gender, age or work experience but because of their estimated value for the theory emergence process.

All of the interviews were conducted between February and November 2005.

Eventually, more than half of the interview participants (employees and senior executives) were drawn out of a large international partnership organisation (international auditing firm). Both companies were former competitors and were operated as a partnership prior to the merger. One of the auditing firms was the former workplace of the author.

Senior management of the newly-formed organisation endorsed the research activities and some members also participated in the interviews. A precondition for the research was, however, that the identity of the organisation was not to be disclosed.

The author's employment in this organisation lasted from January 2002 until December 2005. Consequently, there were no 'gatekeeper' (access) problems. Additionally, there was a certain familiarity with both cultures and some pre-existing knowledge of some of the events described. Then again it is also acknowledged that certain difficulties in distancing may have evolved. Familiarity with the auditing organisation may have blurred certain perceptions and may have also blocked the ability to recognise other inconspicuous issues.

As there may have been implicit sympathies with former colleagues (role conflicts), interviews were primarily conducted with colleagues based in other departments/subsidiaries who, in many cases, were not previously known. Coincidentally, the allotment of interview subjects to each former organisation was eventually distributed fairly evenly. Although the merger had been initiated (announced) in mid-2002, the participants questioned stated that they still had lively memory of the past events.

In addition to the respondents from the merged partnerships, supplementary respondents from other organisations were also questioned. These participants had been subject to 'friendly' or 'hostile' takeovers and had experienced different degrees of integration intensity. Some of the participants were identified through the literature and internet queries (mainly experts). Most of

the participants from the 'second interview group', however, were referred to the author by various business contacts.

Almost all of the participants questioned were based in Germany. The participants work in industries like consultancy, auditing, real estate, manufacturing, retail, advertising, software development and security. The sample was thus fairly diversified, capturing insights from various perspectives.

Most interview candidates were referred to the author by colleagues, superiors, business contacts and clients. It is stressed that most interview candidates were not previously known to the author. The selection criteria were driven solely by the requirement to develop and fortify the theoretical structure.

In order to ensure that all participants selected had made 'sufficient' merger experiences only participants with a minimum of one year 'merger experience' were selected for this study (all subjects had been exposed to integration activities for at least one year). Additionally, it was warranted that the participants still had sufficient memory of the incidents. For this reason no participants were targeted whose merger experiences were older than five years.

As noted earlier it was important to understand how people experience merger events and how personal perceptions evolve as the merger progresses. Initially, questioning participants at different times during the merger had been considered; ideally from the phase of the merger announcement to the phase in which the integration was considered complete (compare Kramer et al., 2004, Schweiger and DeNisi, 1991, Schweiger and Goulet, 2005). This approach, however, was eventually dismissed. Due to the sensitivity of the issues explored it was felt that a longitudinal study would have possibly approached the candidates in a too emotional situation; especially during the early phases. There was concern that many candidates may have had reservations about being interviewed at the outset of the merger considering that their individual 'fates' may not have been decided at that stage. Some candidates may have possibly faced lay-offs while others may have had to deal with considerable restructuring in their personal work environment.

In order to avoid any intrusive behaviour it was therefore decided to take a retrospective view only; questioning the candidates on one occasion about previous events that they had experienced. Conducting a one-time enquiry strategy was not considered to be problematic as past merger experiences are usually still fairly vivid in the mind of the affected subjects:

"mergers and acquisitions represent circumstances of sudden change and disruption, the perceived consequential importance of which has the effect of sharpening rather than dulling the memory." (Cartwright and Cooper, 1993b: 335-336)

On average most interviews lasted 90 minutes and it was felt that the relevant experiences sought by the author were identified in these sessions. In a few cases, questions arising after the interview sessions had ended were clarified by brief follow-ups.

Overall, the practice of conducting one-time interviews did not noticeably impair the quality of the research data. All relevant issues were sufficiently addressed by the participants. This judgment is supported by the comparison of the interview data with the defined objectives which confirmed that all relevant issues addressed were satisfactorily answered. Therefore, as far as the objectives of this study are concerned, a longitudinal approach is not expected to have revealed any further insights.

The sampling process continued throughout the research until 'theoretical saturation' was reached. This reasoning is in accordance with Strauss and Corbin (1998) who maintain that "Sampling is completed when categories are saturated" (214). They add that 'theoretical saturation' is the "point in category development at which no new properties, dimensions, or relationships emerge during analysis" (ibid: 143). Essentially, the process of theoretical sampling is used to identify new or relevant data, variations in the data as well as the relationship among categories. Theoretical sampling seeks to identify data sources that help to saturate 'categories'. The state of theoretical saturation sets in when no new insights emerge or when the data is repetitive, i.e. when the categories are sufficiently dense.

In grounded theory there is neither a set nor an ideal sample size. In this study the sample size was expanded until saturation was reached. Hence, at the outset of interviewing (Figure 3.7) it was not yet known how large the ultimate sample would be.

After the second phase of interviewing (Figure 3.8) it became obvious that very little new knowledge was evolving. There were certain repetitions in the answers given. Many experiences depicted showed similarities. A number of issues addressed by the candidates had already been covered by previous categories and there were recurring patterns in terms of the conceptual linkages being made.

The third and final phase of interviewing (Figure 3.9) was therefore primarily used to fortify the previous theoretical assumptions from the earlier phases. Although due attention was given to identify new revelations in each interview no additional insights or discrepancies emerged. Further modifications of the questioning scheme (e.g. variations in the question sequence, further focussing) also revealed no new findings. The third interview phase served to clarify unresolved issues and to bring the theory-building to a close.

After interview number 32, it was felt that no more original or category-relevant data would emerge through further interviewing. The conceptual linkages made appeared thoroughly developed and sufficiently dense. As the data was considered saturated all enquiry activities were stopped.

In the following figures the sampling process is illustrated in detail:

Phase I: Interviews 1-7

The first seven candidates interviewed were still selected fairly indiscriminately compared to the subsequent phases. At this point it was necessary to get a basic understanding of how people experienced mergers and to pinpoint some of the critical issues that affected them.

At this stage the sampling was aimed at creating a conceptual foundation; setting the scene in order to identify first key issues. It was important to get a feel for the data. To do so it was necessary to become immersed in the setting in order to capture the rationale behind people's statements and behaviour.

The sampling concentrated mainly on finding subjects who had recently witnessed a merger at their organisation. At this point there were no considerations in regard to the hierarchy levels, education, professional discipline, industrial experience or whether the candidates targeted had been based within an acquiring or an acquired organisation. This phase served as a means of:

- Identifying key issues in the data.
- Comparing the statements from the different candidates.
- Making first distinctions between groups.
- Creating a preliminary conceptual framework.

The following candidates (C) were initially sampled after the fieldwork commenced:

Figure 3.7 Phase 1 Sampling

C 1	<p><u>Objective:</u> Gain basic insights on merger experiences.</p> <p><u>Profile:</u> Candidate working for a management consultancy. The candidate targeted recently experienced a merger at his firm.</p> <p><u>Group:</u> Employee</p> <p><u>Selection:</u> Approached directly by the author</p> <p><u>Relation:</u> Former colleague from a consulting firm</p>
C 2-5	<p><u>Objective:</u> Gain general insights; in this case from the perspective of the acquired organisation. Identify possible contradictions between management and staff level.</p> <p><u>Profiles:</u> Four candidates based at the former workplace (auditing firm) of the author. All of these candidates had been working for the acquired organisation at the time the merger was announced. Two of the targeted candidates were at staff/consultant level whilst the other two acted as senior managers heading a regional 'service line'.</p> <p><u>Group:</u> Employees (2), managers (2)</p> <p><u>Selection:</u> The candidates had acted as speakers/listeners at an internal meeting. All candidates were approached directly by the author after this event. The subsequent interviews were conducted individually.</p> <p><u>Relation:</u> No previous relation</p>
C 6	<p><u>Objective:</u> Find out how the candidate perceived the merger as it progressed. Gain insights about the candidates' thoughts; in regard to himself and his relation to his subordinates (who were integrated from both the acquiring and acquired organisation).</p> <p><u>Profile:</u> Senior manager from the former workplace of the author who was previously based in the acquiring organisation. This candidate has direct responsibility over several hundred employees.</p> <p><u>Group:</u> Manager</p> <p><u>Selection:</u> Known from internal communication announcements. Approached directly by the author.</p> <p><u>Relation:</u> No previous relation</p>

C 7	<p><u>Objective:</u> Gain sensitive insights about the merger, Question a candidate that has extensive merger experience. Ascertain how such a candidate rates initial experiences compared with later ones.</p> <p><u>Profile:</u> Administrative assistant working for the board member of a real estate company.</p> <p><u>Group:</u> Employee</p> <p><u>Selection:</u> The senior administrative assistant had been selected because she was expected to have sensitive insights (based on her position and closeness to a managing partner who was involved with co-ordinating integration measures at the local subsidiary). Furthermore, the administrative assistant had already witnessed her second merger within the acquiring firm and was expected to provide valuable insights. The participant was recommended by a colleague.</p> <p><u>Relation:</u> No previous relation</p>
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Source: Author

After the first seven interviews the questioning was halted. Following a brief review, it was felt that the interviews would now require further advancement. Initially, 'employees' and 'managers' were identified as key groups. At this stage first cohesive patterns were already becoming visible. There were, for instance, indications that employees and managers appeared to hold contradictory views on how the merger was and should have been handled (form and style of interaction).

Phase II: Interviews 8-25

At this point the candidates were selected solely because of their expected contribution to the evolving theoretical constructs (e.g. following new leads, developing new categories, following up on indistinct categories). The key aim now was to revise and modify a preliminary concept and category structure.

The initial structure was not considered to be sufficiently abstract enough. Additionally, there were concerns that several issues may not have found the required consideration in the first seven interviews. Additional interviews should therefore concentrate on exposing new angles. A number of themes were still unclear whilst other topics (categories) showed no apparent relationships yet. Below some of the issues requiring further scrutiny at that time are listed:

- Examining how changes were announced, handled and the way that they affected the people within the organisation (e.g. how change was 'communicated', people's reactions,

types of resistance observed, possible reasons for resistive/supportive actions, management's goals, implemented communication measures).

- Identifying differences between employee and manager perceptions (e.g. gaining more in-depth access to the candidates' thoughts and feelings during this time, retrospective evaluation of the participants' own behaviour, effects on personal situation, reactions taken as a result).
- Homing in on observations made in the wake of the merger (e.g. from the perspectives of both managers and employees).
- Conducting a close inspection of the ongoing interaction processes (e.g. ongoing interaction activities, scope of communication activities, rationale behind people's behaviour, expectancies, and complications).
- Magnifying similarities and differences between and within the identified groups (e.g. capturing congruent/contrary positions).
- Clarifying contradictions of certain statements by gaining further evidence (e.g. addressing conflicting points from previous interviews).
- Incorporating the views of 'experts' as the third interview group in order to validate the previous findings (e.g. pursuing new leads, confirming/refuting previous statements made, identifying recommendations, and recognising best practice standards).
- Addressing the issue of power misuse.

Essentially, the existing conceptual framework was abstracted to higher levels. Concepts and categories were renamed and partially reassigned. Many linkages between the concepts and categories were rethought or modified. The second sampling phase is presented below:

Figure 3.8 Phase 2 Sampling

C 8-11	<p><u>Objective:</u> Ascertain what changes had taken place. Probe further into personal feelings and reactions that the changes triggered. Explore how interaction processes had been designed, how they were carried out and how they were perceived.</p> <p><u>Profiles:</u> Four members at the former working place of the author were questioned.</p> <p><u>Group:</u> Employees (3), managers (1)</p> <p><u>Selection:</u> There had been indications that many employees had been subjected</p>
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	<p>to severe changes in their work routines as a result of the merger. For this purpose, three regular staff members working as consultants and one senior manager (all from the acquiring organisation) were targeted. Approached directly by the author.</p> <p><u>Relation:</u> No previous relation. The candidates were referred to the author by colleagues.</p>
C 12-13	<p><u>Objective:</u> Enquire about interaction processes during a merger. Identify issues of power misuse. Understand different aims and objectives between employees and managers. Identify modes of best practice in merger communication.</p> <p><u>Profiles:</u> Two external experts were questioned on their experiences and views</p> <p><u>Group:</u> Experts (2)</p> <p><u>Selection:</u> These experts were targeted through literature and internet searches. One of these interviews was conducted per telephone. The other interview was done personally at the office of the expert. All potential participants were approached directly by the author.</p> <p><u>Relation:</u> No previous relation</p>
C 14-15	<p><u>Objective:</u> Identify new leads and validate some of the previous findings. Fortify theoretical structure. Identify issues of power misuse.</p> <p><u>Profiles:</u> One candidate works for an advertising company as a senior manager. The other candidate works at a leading software development company.</p> <p><u>Group:</u> Manager (1), employee (1)</p> <p><u>Selection:</u> both candidates recently witnessed a merger in their organisation (both work in the acquiring organisation). The experiences of these candidates were regarded as extremely valuable in substantiating the framework that was developing at this time (first subcategories were evolving). Referred to the author by different business contacts.</p> <p><u>Relation:</u> No previous relation</p>
C 16	<p><u>Objective:</u> Explore how merger was communicated to employees, verify whether initial expectations were met, identify whether there have been issues related to power misuse.</p> <p><u>Profile:</u> Employee working for a retail company which was merged with a</p>

	<p>competitor two years earlier.</p> <p><u>Group:</u> Employee (1)</p> <p><u>Selection:</u> Referred to the author by a private contact.</p> <p><u>Relation:</u> No previous relation</p>
C 17-19	<p><u>Objective:</u> Capture varying perceptions from other candidates at senior management level. Clarify contradictions in terms of expectations. Gain insights in regard to behaviour. Enquire how interaction processes are designed and executed.</p> <p><u>Profiles:</u> The author received three candidate referrals from existing business contacts. All of these candidates work as senior managers in different industries (security, manufacturing and trade) that were recently acquired.</p> <p><u>Group:</u> Managers (3)</p> <p><u>Selection:</u> Referred to the author by different business contacts. Due to the referrals made all three candidates willingly consented to the interviews.</p> <p><u>Relation:</u> No previous relation</p>
C 20	<p><u>Objective:</u> Enquire about interaction processes during a merger. Identify how a merger usually evolves and how people's perceptions change over time. Common forms of merger interaction. Practices proven to be most useful in merger communication. Identify issues of power misuse.</p> <p><u>Profile:</u> Candidate has been working as an external advisor; specialised on change management and merger integration for over twenty five years.</p> <p><u>Group:</u> Expert</p> <p><u>Selection:</u> Introduced to the author by a colleague.</p> <p><u>Relation:</u> No previous relation</p>
C 21-22	<p><u>Objective:</u> Enquire about communication practices after the merger. Reflect views between superior and direct subordinate. Gain insights about varying/congruent perceptions.</p> <p><u>Profiles:</u> One manager and one employee (direct superior and subordinate relationship) who work at the former workplace of the author. The superior was from the acquiring organisation while the employee had been based in the acquired organisation.</p>

	<p><u>Group:</u> Employee (1), manager (1)</p> <p><u>Selection:</u> Approached directly by the author.</p> <p><u>Relation:</u> Occasional project work in the past.</p>
C 23	<p><u>Objective:</u> Identify processes within a company confronted with a hostile takeover. Question communication practices before and after the merger; the way that personal opinions changed as the merger progressed. Address issues of power misuse.</p> <p><u>Profile:</u> Candidate works as an employee for an international manufacturer that was taken over by a hedge fund consortium through hostile bidding.</p> <p><u>Group:</u> Employee</p> <p><u>Selection:</u> The candidate was referred to the author by a former colleague. Initially, the candidate showed reluctance to be interviewed stating that he feared possible reprisals if his identity was revealed.</p> <p><u>Relation:</u> No previous relation</p>
C 24-25	<p><u>Objective:</u> Question communication practices after the merger. Detect memorable experiences. Enquire how the subjects coped with the changes inflicted upon them. Question whether there was any form of perceivable manipulative behaviour.</p> <p><u>Profiles:</u> Two subjects from the former workplace of the author; one employee who works in another subsidiary in the south of Germany known from a joint assignment (based in acquired organisation) and an administrative assistant who supports a managing partner (based in acquiring organisation).</p> <p><u>Group:</u> Employees (2)</p> <p><u>Selection:</u> Both candidates had witnessed extensive organisational restructuring in their departments (e.g. extensive lay-offs, several relocations, fundamental changes in their work routines). The targeted candidates were approached directly by the author.</p> <p><u>Relation:</u> Joint project work in the past.</p>

Source: Author

Phase III: Interviews 26-32

At this stage of interviewing it was decided to seek a certain closure; a number of categories were already very dense and the theoretical structure was getting more and more fortified.

All efforts now shifted towards pinpointing the core category and to develop the eventual theory – the primary outcome of the research. Consequently, categories were now prioritised and relationally linked in terms of their conceptual hierarchy (e.g. lower and higher level categories). The following objectives were followed in the final interview phase:

- Identifying any open points (e.g. addressing categories that require further substantiation).
- Focusing on the emergent theory that has been continuously developing through the preceding interviews, i.e. pinpointing the central phenomena related to merger communication.
- Filling in open gaps in the developing theoretical structure. It needed to be ensured that all relevant categories were substantiated with data.
- Tightening the conceptual linkages between the main categories and the subcategories thereby assessing how these categories are allocated in the final theoretical structure (hierarchical and argumentative).
- Distinguishing the core category. This category should be the focal point to which all other categories relate. Afterwards, a storyline was developed which represents the explanatory basis for the generation of the eventual theory (the outcome of the primary research).

Figure 3.9 Phase 3 Sampling

C 26	<p><u>Objective:</u> Close existing weaknesses in the developing conceptual framework – related to employee issues. Gain viewpoints from a works council member.</p> <p><u>Profile:</u> Subject is an employee (works council member) who recently witnessed a merger in a hotel in southern Germany: the subject works as an administrator in the accounting department.</p> <p><u>Group:</u> Employee</p> <p><u>Selection:</u> Referred to the author by an existing business contact.</p> <p><u>Relation:</u> No previous relation</p>
C 27	<p><u>Objective:</u> Clarify points within open categories. Typical communication measures adopted by the HR department. Feedback considerations at</p>

organisational level.

Profile: This subject was referred to the author by a former client: the subject currently works in an HR consultancy which was recently taken over by a larger conglomerate.

Group: EmDlovee

Selection: Client referral, the candidate was approached directly after the former client had contacted the subject.

Relation: No previous relation

C 28 Objective: Capture very emotional perceptions made. Identify negative events experienced and probe into emotional state as the merger progressed (including the post lay-off phase).

Profile: The targeted candidate used to work as a consultant for a media company before he was laid-off as a result of a merger with a competitor.

Group: Employee

Selection: Referred to by a former colleague. Contrary to initial expectations, this candidate immediately expressed his willingness to participate in this study.

Relation: No previous relation

C 29 Objective: Validate some of the previous statements made by the employees and managers. Probe for change drivers and identify how change is manifested (if at all). Enquire about necessities for successful merger communication.

Profile: Merger expert who has advised organisations on post-merger integration, the expert has also accompanied numerous change projects.

Group: Expert

Selection: Identified because of a tip from a former superior. The initial contact was also made through the former supervisor.

Relation: No previous relation

C 30 Objective: At this stage the theoretical structure had already reached a form of saturation. Most points had been clarified and it was felt that only a few issues remained open in regard to the behaviour of superiors (e.g. their own perceptions about their actions, the way that managers perceived acknowledgment and respect from their subordinates, etc.).

	<p><u>Profile</u>: Senior manager from an automotive company (a former client of the author). His company had recently been acquired by an American organisation. This organisation had been subject to substantial restructuring (lay-offs) after the merger.</p> <p><u>Group</u>: Manager</p> <p><u>Selection</u>: Former client of the author</p> <p><u>Relation</u>: Former client relationship</p>
C 31-32	<p><u>Objective</u>: Most categories were already saturated but it was felt this additional interviewing was necessary in order to fortify the theoretical structure. The objective was thus to answer any open questions and probe whether there is any agreement/disagreement with the theoretical findings made. These interviews were thus more confirmatory in nature (verification oriented) compared to the explorative character of the previous interviews (explorative character).</p> <p><u>Profiles</u>: An employee (based in the acquiring organisation) and a manager (based in the acquired organisation) of the author's former workplace were interviewed.</p> <p><u>Group</u>: Employee (1), manager (1)</p> <p><u>Selection</u>: Approached directly by the author</p> <p><u>Relation</u>: Occasional project work in the past</p>

Source: Author

3.3.5 Memoing

Another important aspect of grounded theory documentation is the 'memoing' process (Glaser, 2004): "Memos are theoretical notes about the data and the conceptual connections between categories" (par. 61). Memoing is vital for the process of abstracting and was an integral part of the data analysis process.

"Memos help the analyst to raise the data to a conceptual level and develop the properties of each category that begin to define them operationally. Memos present hypotheses about connections between categories and/or their properties and begin to integrate these connections with clusters of other categories to generate the theory. Memos also begin to locate the emerging theory with other theories with potentially more or less relevance." (ibid: par. 62)

Memos provided support for the conceptual reproduction of events. They were also vital for elucidating and organising personal thoughts as well as for the consecutive development of a theoretical structure.

Although memoing accompanied all three phases of coding, it was especially important for selective coding – the identification of the core category and subsequent theory-refinement phase. In other words memoing was important for abstracting (or lifting) the data to a theoretical level.

As data collection and the analysis process are fused, memoing was an ongoing process which ran parallel to the interviewing. Memos were usually transcribed directly after the fieldwork activities. Most theoretical notes produced are handwritten and have varying structures, length and conceptual depth. Some notes, for instance, referred to further questions, different angles of perception (interviewer/respondent), quotations, tentative propositions or ideas. Other memos concentrated on the coding process, made preliminary assertions or tried to establish relations between categories (sometimes with the help of diagrams). Some excerpts from the memos are illustrated at a later stage.

The notes and memos were written and coded in German. For reporting purposes, some elements of these transcripts and codes were later translated into English. It must, however, be noted that the memos were typically not translated into English. This procedure is supported by Strauss and Corbin (1998) who recommend conducting only 'minimal translating'. Apart from being time consuming, there is a danger that many subtleties or 'subtle nuances in meaning' of the original language are lost.

3.4 Further Considerations

Apart from the topics covered in the previous sections several other issues require further discussion.

Initially, the application of different forms of triangulation is evaluated.

The next section deals with critical commitments of this study. As critical realist suppositions run through all research activities, emancipatory aspects were suggestively integrated into some of the parts of the interview scheme. Some of these critical underpinnings and their appliance are briefly depicted.

Finally, brief reference is given to evaluation criteria, especially those applicable to grounded theory research.

3.4.1 Triangulation

According to Bisman (2002), triangulation basically refers to a multi-measure approach that strengthens validity, aiming at confirmation, corroboration and cross-validating. Triangulation

should be part of the data collection, analysis and interpretation process. Critical realism relies on triangulation to identify the hidden generative mechanisms (powers) that lie beneath the supposed reality. Triangulating various sources of data is not only in accordance with critical realist assumptions (Bisman, 2002; Yeung, 1997) but also finds acceptance in grounded theory texts (Strauss and Corbin, 1998).

"Triangulation, of whichever kind, helps to produce a chain of evidence to form a backdrop to relations observed between variables, provides greater assurance that threats to the validity of analysis have been counteracted, and allows greater confidence to be placed upon research results." (Bisman, 2002: 15)

Sharp (Archer et al., 1999) endorses methodological pluralism (triangulation), arguing that researchers should not resort to conducting only qualitative approaches. Although qualitative research offers may be indispensable for research, boundaries may also be encountered where it is necessary to implement broader methods that are triangulated with one another in order to "tease out the different levels of analysis and the real, deep causal processes at work" (12). For this study the analysis of the interview (primary data) with grounded theory was purely qualitative, a substantial part of the theoretical knowledge (secondary data) reviewed in the literature, however, originates from quantitative, empiricist research. It must be stressed though that no original quantitative research was carried out by the author. Once more, this stance is in no known conflict with critical realism or grounded theory.

Intra-method (within method) triangulation was applied in order to strengthen the validity and reliability of the qualitative interview findings. The data used for grounded theory analysis was drawn primarily from the interview transcripts. Supplementary materials provided by the participants as well as observations in regard to the participant's behaviour were also analysed (compare Hammersley and Atkinson, 1983).

Interdisciplinary approaches can be seen as another form of triangulation. The literature consulted, for instance, originated from many scientific fields, including psychology, philosophy, sociology and anthropology. Themes revised related to issues like communication, human resource management, leadership, mergers and acquisitions, post-merger integration and change management.

During the interviews, people with varying backgrounds provided valuable contributions. They had professional experience coming from business and management (predominant), engineering, law, physics, information technology, psychology as well as sociology. This blending of different perspectives widened the researcher's personal understanding, shifted former points of view and allowed for new ways of thinking.

Interdisciplinary research, Danermark (2002) argues, can be a feasible model for conducting critical realist research (compare Archer et al., 1999):

"the distinguishing characteristics of such research are that it contains *combinations of knowledge* from different disciplines and/or areas of knowledge, that it can provide us with a *deeper knowledge* and *new explanatory models*, and finally that it often generates *new approaches* and *methods*." (Danermark, 2002: 56, emphasis in original)

Interdisciplinary research procedures are also not in any conflict with grounded theory conventions (compare Strauss and Corbin, 1998).

3.4.2 Critical Underpinnings

Some authors like Johnson (1996) advocate the usage of critical philosophical underpinnings during interviewing. Although Johnson's approach was initially designed for focus group discussions, it is also appears feasible for personal interviews in order to stimulate critical thought about the social relations within organisations. Based on Johnson's approach, the personal interviews were aimed at critically developing the thought patterns of both the researcher and the interviewees by stimulating personal introspection. Ideally, the interview process is thus not only a mode of enquiry but also of personal advancement.

In Bhaskarian terms the study should serve as a 'transformational act', empowering the individual and raising his (or her) consciousness of social interrelations. The goal is thereby to break up former social relations that sustain exploitation and domination. Consequently, the participants should reflect upon their past behaviour and conduct; critically questioning their self, thoughts, beliefs and actions. The interviews incorporated thought elements addressing themes like suppressive communication and the democratisation of integration processes.

"Critical interpreters value socially relevant research that seeks to liberate people from oppression of any sort - economic, political, religious, emotional, and so on. They decry the detached stance of scientists who refuse to take responsibility for the results of their work." (Griffin, 2003: 13)

In alignment with critical realist predilections, the interview research questions aimed at stimulating the following thought processes:

- Raise awareness of emancipatory interests and promote reflective thinking.
- Stimulate self-awareness of the interview participant about personal behaviour, activities and motives.
- Promote critical thought about themes relating to domination, inequalities, injustices suppression versus consensus, democracy, and real participation.
- Ascertain the role and responsibility of influential agents.

- Identify scenarios in which agents can circumvent, modify, create or possibly neutralise existing structures.

Critical questions were usually incorporated at a more advanced stage of the interviewing – usually near the end. It was felt that making a reference to these subjects too early in the interview would have confused (or possibly influenced) the participants. Furthermore, these questions were usually only directed at selected participants who themselves had previously expressed concern about power abuse and suppression. Based on personal estimation, some senior managers were also subtly confronted with these issues.

Incorporating these critical underpinnings was well received by the participants. Consequently, no visible signs of irritation were registered. Some participants stated that they had not previously assessed their own role and behaviour during the merger. One participant, for instance, noted that the critical questions had been 'enlightening'.

3.4.3 Evaluation Criteria

In evaluating quantitative research, 'reliability' and 'validity' are often cited as important criteria for warranting research (Bordens and Abbott, 1999). They, however, also find certain although somewhat different application in qualitative research. In qualitative domains, Bryman contends, reliability and validity have less emphasis on measurement, rather the terms need adaptation. Bryman (2001) summarises LeCompte and Goetz's definitions of the terms in the context of qualitative research:

- 'External reliability': degree to which a study is replicable. It is argued that other than in quantitative research the same study conditions are not replicable in social settings as they are in constant movement and signify uncontrollable situations. Therefore, researchers who try to replicate a study should "adopt a similar social role to that adopted by the original researcher" (271).
- 'Internal reliability': represents cases where there is more than one researcher taking part in a study (research team). Internal reliability thereby refers to the level of agreement within the team in regard to what observations were made (what is heard and seen).
- 'Internal validity': it describes to what extent the observations made by the researcher match with the resultant theoretical statements induced. It "allows the researcher to ensure a high level of congruence between concepts and observations" (ibid: 272).
- 'External validity': this refers to the degree to which it is possible to generalise findings across a large social setting. External validity is frequently a problem for qualitative research that is typically focused on small samples.

In terms of reliability (internal/external) it is supposed that the same research (or a research based in similar settings) repeated by another researcher (or research team) may uncover additional or even some deviating results. Coding, theoretical sampling and the ways of doing constant comparison are guided by the individual researcher. Routes of research are thus believed to be distinctive. Overall, it is assumed that the principal research findings would, however, be comparable if the philosophy, methodology and design are closely adhered to. While the individual route may differ, the results should be similar.

The use of multiple methods, for instance, by drawing on data based on both qualitative (interviews) and quantitative (literature) approaches may also contribute towards strengthening reliability (compare Bisman, 2002).

Matters of 'internal validity' are based on interpretation of the data; resultant inducements were founded on individual assumptions, knowledge and beliefs.

In qualitative research (Bisman, 2002), generalisability or 'external validity' is concerned with 'theoretical generalisability' which replaces statistical forms of transferability commonly found in quantitative research. Bisman refers to 'analytical generalisation' in which the results of a single case or several cases are used to formulate a broader theory: a "theory can be applied to a case in order to explain the specific case, rather than to produce universal generalizations" (16). Being an iterative process, this can lead to a constant modification of the theory, for instance, when further cases are replicated and compared to the initial theory. Positivism is usually less detailed and embodies more constraints when it comes to generalisations, Bisman adds.

For this study, claims of generalisation ('external validity') to larger populations are inhibited and limited to the interviewees questioned. The aim of this study was the in-depth exploration of a single or a few merger cases. Contrary to quantitative studies, there was no intention of making any representative statements about observable behaviour patterns commonly derived from impersonal and rigidly structured surveys.

Issues of generalisation are of little pertinence for grounded theorists as the theory is inductively generated from the data collected. As a result statistical sampling methods are not considered relevant (compare Lee, 2000). 'Theoretical sampling' guided the emergent theoretical construction process: hence theoretical gaps were saturated by targeting appropriate respondents.

As a specific route within qualitative research, grounded theory has also developed its own standards of evaluation. According to Glaser (2004) grounded theory "requires following its rigorous procedures to generate a theory that fits, works, is relevant and readily modifiable" (par. 37). The criteria below, however, are to be understood as guidelines only:

- 'Fit': extent to which formulated concepts fit (or match) the data or situation. The generated theory should be applicable to the real life situations or substantive area in which the phenomenon occurs.
- 'Relevance': degree of relevance (bearing) the theory has in regard to the people being studied and peers in the same field.
- 'Workability': explanatory power in regard to the studied problem. Describes the extent to which certain problems are recognised and evaluates the solutions provided to overcome or resolve these situations more successfully.
- 'Modifiability': extent to which the theory can be modified in case new data is introduced and compared.

(Source: based on Grounded Theory Internet Forum, 2005)

In grounded theory, the extent of 'truth' one can attain is essentially related to the amount of data one analyses. A theory derived through grounded theory, however, can only represent an approximation or fair accuracy to "truth", it cannot reach any 'ultimate truths' (compare Grounded Theory Internet Forum, 2005). While not identical, truth propositions within grounded theory and critical realism (compare Chapter 2) appear harmonious.

Furthermore, grounded theory is not about providing "a perfect description of an area, but to develop a theory that accounts for much of the relevant behavior" (Glaser and Strauss, 1967: 30). There may be relevant or unique merger occurrences that were not experienced by the participants questioned. Hence, these events may not have been noticed and considered relevant for the theoretical emergence process.

3.5 Preliminary Evaluation

This chapter has tied the philosophical commitments of the author to a research methodology and design.

Critical realism and grounded theory serve to fulfil the research objective. Even though both approaches have different origins, they harmonise. Essentially, critical realist philosophy provides the framework about how the social world is sensually perceivable and how people approximate themselves to truth statements. Backed by these assumptions, grounded theory is used to interrogate an 'accessible social reality' by looking at the perspectives of others (their own interpretations of this reality). The author in turn needed to interpret the participant's interpretations.

The analysed data which was provided by the participants consisted mainly of narratives. In order to detect linkages between people's thoughts and their behaviour it was necessary to

abstract the narratives further. The participants appeared to be unaware of many of the influences guiding their thoughts and behaviour. Several participants, for instance, expressed that they only had an obscure or vague idea as to why they were behaving in a certain way. Consequently, it was necessary to tease out the rationale behind certain conduct not necessarily evident to the participants themselves.

A novel aspect of this research is that grounded theory is blended with critical philosophical underpinnings. One might be inclined to view the approach as a form of 'critical grounded theory'. No studies of a similar nature relating to communication and mergers were identified elsewhere.

All research activities related to the fieldwork were purely qualitative. Considerations about frequencies or other mathematical correlations were completely omitted. The data was analysed solely through interpretive means – guided by a systematic manner of analysis.

Taking the liberty of separating the literature review from the grounded theory approach actually proved to be unproblematic. In fact, reconciling the interview findings with existing literature strengthened the validity of the propositions and statements generated. As the bulk of the literature was reviewed after the grounded theory analysis had been completed, there was nothing to interfere with the process of theory emergence. However, the author clearly discourages carrying out extensive reading prior or even parallel to grounded theory analysis as this will undoubtedly 'contaminate' the theory emergence process.

The decision whether to deviate from the prescribed conventions of grounded theory must be carefully balanced for each individual case. Taking too many liberties 'dilutes' and may even falsify the original approach. The author has therefore sought to adhere closely to the grounded theory procedures advocated by Glaser and Strauss.

4 Findings

"Look at all the sentences which seem true and question them." (David Reisman)

This chapter will present the research findings made as a result of data collection and analysis. The methodological background of the data collection and analysis process (grounded theory) has been extensively discussed in Chapter 3.

In the course of the research, emerging theoretical concepts and categories were analytically identified from the field data. The interdependencies of these concepts and categories are outlined in several structural schemes. Eventually, the inductive findings led to the formulation of a theory of merger communication.

While this chapter refrains from presenting descriptive findings made in the interviews, interested readers will find more details in Chapter 5 where theory and noteworthy participant statements are briefly contrasted.

4.1 Data Analysis

Due to limitations of scope, it is only possible to provide excerpts of the analysis process.

In order to analyse the data, the transcripts made during the interviews were broken down (conceptualised and classified). The text fragments were analysed in terms of their abstract representation with regard to any relevant occurrences identified by the researcher.

The following text was taken from an interview in the first stages of research. It is exemplary and shows how the open coding, constant comparison and theoretical sampling process were conducted. In this context, several analytic remarks were made which are quoted in brackets behind the relevant text fragments. The recognised concepts and categories ('labelled phenomenon') are marked in bold.

Interviewer:

"You mentioned instances in which you felt that you were being deceived. Could you please give an account of one of these instances?"

Participant (employee, translation, brackets added):

"If necessary, people within the organisation would be exploited by the management (**"recurring event"**) (angry undertone). For instance, we were asked to participate in a public demonstration against the takeover bid. The press was there and a lot of politicians also showed up. The management kept telling us that we would lose if they [the other company] would take us over (**"concerted protest"**) (**"threatening gestures"**). The essence was that we would all lose our jobs (**"negative connotations"**). These people had a hostile culture in which only the high performers were aided and promoted. All others would be pushed out in the course of the merger. This kind of behaviour was not in accordance with our (**"group dynamic"**) moral values, they told us (**"threatening gestures"**). Additionally, they only wanted to profit from our strengths like our client base and strong research and development department. The other company would drain our resources and sell off what was left (**"parasitical traits"**). They [the management] said that we needed to move heaven and earth in order fend off the hostile takeover bid (**"exertion of pressure"**) (ironic undertone).

Everyone was scared, and, believe me, so was I (**"threatening experience"**). We demonstrated and we really thought that this was the only way to save our jobs and everything else that we had built up in the last few years (**"we feeling"**).

I even spoke to a friend of mine who works as a journalist. I asked him to write about us and to make clear that this deal was no good for us (**"identify combatants"**).

Eventually, all of our efforts were in vain. We were taken over and all of my colleagues were in a situation of outright panic (**"resignation"**). What would happen to us now? When would we have to go? We were really unsettled and this was probably one of the most negative phases (**"negative phases"- in vivo code**) of my life that I have experienced so far (**"negative connotations"**).

After the takeover had been finalised nothing happened, absolutely nothing (**"negative connotations"**). After a few days or it may even have been a few weeks our management suddenly made several e-mail announcements (**"directed initiation of change"**).

We were told that everything was fine and the merger negotiations were progressing. Everybody in the management team was so happy (ironic undertone) that this had happened (**"proclamation of positive connotations"**). Our new friends (**"friends versus enemies"**) would help us to succeed in the market, our growth and profitability was now secured and we would all benefit from the upcoming developments (laughs). This development was the greatest thing that could ever have happened to our

organisation; they told us ("**proclamation of positive connotations**") ("**disbelief**"). This statement was coming from the same people who had just previously expressed that we would all perish, if we let this happen! How unbelievable is that! (enforcing gesticulations) ("**questioning credibility**").

I really thought that I was not sane. Had I just woken up from a terrible nightmare? What was going on here? ("**disorientation**") I was comforted by the fact that my colleagues were also absolutely speechless ("**dealing with the shock**"). They really [the management) thought that we were stupid; they were treating us like idiots ("**self-worth**").

I was always critical of what my people said to me but since this time I have lost all faith in organisations and their credibility ("**prevailing mood**"). They lie to us as needed and that without any scruples ("**distrustful environment**"). I am sure that I will never actively back anything again coming from the management team ("**loss of faith**")." (translation, brackets added)

(1: "**anxiety generation**")

(2: "**systematic resistance**")

(3: "**rallying for support**")

(4: "**emotional distress**")

(5: "**questioning of mental stability**")

(6: "**shattered faith in sincerity**")

After the data had been labelled it was necessary to conduct a deeper analysis in order to identify new angles. The labelling of the data into concepts and categories thus only represented the first step of analysis.

Consequently, it was now necessary to conduct comparative analysis and to reflect upon the data by asking different questions about its denotations ('microanalysis'). Hence, this text fragment was compared to texts from previous interviews. The words used by the participants had to be analysed in terms of their possible varying meanings (range of denotations put into these words). This analysis was done by identifying some of the key properties related to these words. Additionally, these properties were further developed through dimensions (e.g. a category's characteristics or ranges).

Two abstracted concepts from the text above and their associated properties and dimensions are briefly exemplified below:

- 'Negative connotations': the participant associates a negative meaning to something the organisation has done (or in this case has not done). This feeling can be viewed as having the property of 'endurance' attached to it. This feeling can thus last (dimension) from anywhere between a short (momentary) or for a long time (months or years). One could also look at its properties in terms of the 'emotional impact' it has on the individual. The dimension of this property could range from a strong impact (causing great emotional distress) or a weak impact (causing only minimal emotional distress) on the individual.
- Loss of faith: it appears that the participant has built up 'distrust' ranging anywhere from strong to weak states. This concept can also be associated with the property of 'disappointment' in which the participant may be very, somewhat or even less disappointed. The degree of 'personal commitment towards the organisation' could also vary, for instance, from high to low.

The possibilities for developing categories and dimensions for each concept/category seem endless. This form of getting into the data, however, generates new perspectives about the deeper possible meanings. As there is no right or wrong way to code (compare Strauss and Corbin, 1998), other researchers may code differently. Coding is not about analysing the discourse diligently in every detail. It is about the discovery of real meaning behind what is said. Some of these meanings may not even be immediately obvious to the participants themselves. People may think that they communicate comprehensibly, but their interaction partner may not understand them in the intended way. The analysis of the interview transcripts was focussed on nuances, subtle hints or insinuations, not only the spoken words.

The constant comparison of data (this text) to other data (other texts) allowed consistencies (joint characteristics or recurring themes) to be identified. A number of participants, for instance, were discontented with the way that the management was communicating with them. While other participants were not as direct as the exemplary participant, there were similar undertones. There were indications that this was related to factors such as:

- Disappointment at the way management was behaving.
- Its lack of consideration for personal feelings.
- The view that the people were taken as being fools.
- Feelings of betrayal and exploitation.
- Assumptions that employees were influenced to behave in conformance to management's will.

- Feeling of being systematically subjected to false information.
- Perceived sense of helplessness.

Similar themes from other interviews also related to the issues of rebuilding trust, commitment and loyalty. This data would infer that lost confidence by the workforce led to negative views:

- Losing a basis for trust.
- Lowered motivation and commitment.
- Decrease in morale and ethical values.
- Disappointment and dissatisfaction.
- Questioning of own values.
- Confusion, anxiety and uneasiness.
- Resignation as well as loss of situational control.

There were also indications that people were unwilling to accept changes to their former work situations. Many of the participants hinted that they had not advanced as much through the merger as they had hoped to, while others even indicated that they had lost career ground. These issues were also related to other perceptions, for instance, that the merger was used to:

- Dispose of disagreeable people.
- Take revenge for past injustices.
- Take favourable opportunities to get more power.
- Bring forward planned job redundancies.
- Instigate procedural and organisational restructuring.

During the text analysis, there were signs that it was necessary to flesh out some of the early concepts and categories even further. Gaps from the previous interviews needed substantiation. At the same time new questions had come up.

Addressed to other employees affected (questions arising – excerpts):

- Reasons for the loss of commitment (underlying thought processes and responsible feelings and beliefs?).

- Resulting behaviour among other employees (possible rumour building? What were the primary sources of information as well as the main forms of interaction?).
- Departmental versus organisational perspective (different environments? Other types of complexities? Different influences?).
- Dynamic build up of tensions (what kind of tensions evolve and how do these processes escalate?).

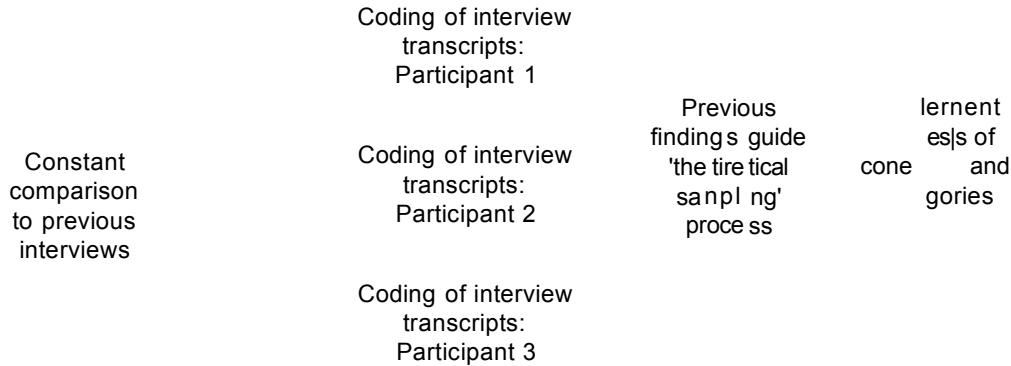
Addressed to management representatives (question excerpts):

- Management views and perspectives (what feelings does the management have? How does the management view employees' accounts and how does it react? What needs to be done?).
- Measures taken to regain lost confidence and motivation (what measures does the management implement? How are these measures administered? Who is responsible? What are the possible countermeasures to be taken by the management?).
- Effects on organisational goals (how does the behaviour of the workforce during this time affect the organisation?).
- Handling of disgruntled employees by superiors (how do immediate superiors view the merger? How do they feel? What can or do they do to alleviate these uncertainties?).

New issues or angles directed the sampling process. Hence, it was necessary to identify further subjects able to advance the themes that came up in previous interviews. Potential respondents were therefore selected because of their expected ability to fill the gaps arising in the steadily developing theoretical structure.

Below the process of data collection and analysis is illustrated. The figure shows that theoretical sampling, constant comparison and coding are closely interlinked:

Figure 4.1 Process of Data Collection and Analysis



Source: Author

Numerous memos served as a means of recording the analysis. As suggested by Strauss and Corbin (1998), the memos consisted of personal assumptions, interpretations and further questions.

One memo to the exemplary text is provided below (early memo):

This participant is really open. At least he seems to be. Is he frustrated? Does he want to rid himself of the thoughts that have piled-up? It almost seems as if he had been waiting for such an opportunity to vent his frustration.

This wasn't the first time. He has obviously perceived more than one event (recurring) in which the management has exploited its people (or people within his immediate environment, on the same hierarchy level). He is angry when he looks back to this time (event lies approximately two years back). He describes a demonstration which was evidently staged (orchestrated) by the management. His superiors had talked him into fighting the merger, otherwise, they argued, he would 'surely' face negative consequences (exertion of negative pressure). The people are coerced into doing what the management says. This negative image of the other company works initially. The images of the future are gloomy and hopeless.

[early category: systematic build up of resistance]

These projections affect the group which joins (dynamic effect) together to fight the threat. It is almost a 'life and death' situation for the participant (based on his narrative). The other company members are described as raiders (parasitical). They are out to take the best things out of the organisation and leave the worthless residue.

[early category: systematic generation of fear]

Fear (although not really definable – fear of what?) dominated the life of the participant during this time. There are no clear indications as to exactly what the participant was afraid of (the unknown, losing the job or negative career prospects?). Was it experienced like a 'life' threatening situation?

He set his hopes in a demonstration (hope for what?). It is further not clear what a demonstration would change (for him or his colleagues). He was apparently looking for a protective realm. He found a certain security by retracting to a group, a place of shelter in a 'hostile world' (we, the group of affected employees have more power than an individual would). Allies were sought to fight off the 'evil assailants'. Was he grasping for anything that may help?

[early category: rallying for support]

Then all hope is lost and the participant surrenders. The battle was lost and all efforts in vain. Absolute dismay about the daunting events to come (capitulation). The participant resigns and is trapped in a state of emotional unrest (formative event).

[early category: emotional distress]

The state of the unknown is ended by an announcement of a new beginning. The management is seen as passing over the present state. It acts in a condescending manner. Change is again orchestrated by the management (flicking a switch). This time the participant and his colleagues are not willing to 'fall for the trick' again. The announcements are given no serious considerations (dismissed, not viewed as earnest, insincere). Communication is degraded and viewed as transparent propaganda (condemned as untrustworthy). Old enemies stay enemies (!); this may affect the way that people view their new colleagues during integration? One possible foundation for problems?

Again the participant finds comfort in the group; it helps him to deal with (possibly even overcome?) his 'trauma'.

[early category: mental stability]

The management manipulates its people (manifested thought). It lies to fulfil its personal objectives. The management cannot be trusted.

Possible consequences:

- No more backing of management initiatives in the future.
- Work to rule, limited loyalty, commitment, decreased motivation (if any).

- Loss of faith in the organisation.
- Personal goals are raised above organisational goals.
- Participant puts confidence in colleague relations (trust). Management is distrusted.

The participant is sarcastic when speaking about the management. Main expression through: speech (freely), sarcasm, intonations, gesticulations and facial expressions.

The participant expresses visible emotions of anger and disappointment.

It would appear difficult to regain the commitment of such an employee (how can this be done? What should the management do? Are they even aware of their disgruntled employees or the effects of their communication? Is the management aware what effects its actions have had on its workforce? Does it really care? How would the management feel if they changed positions? How would the participant act if he were a senior manager?

Sampling: it seems necessary to reflect upon contrasting views from superiors. It also seems necessary to capture more insights from employees (do they have similar or other views? Is this a single perspective or a common trend?). These questions will affect the route of the sampling.

Properties and dimensions: how intensive are the concepts identified regarding their properties and dimensions? It seems that the participant has intense feelings of disappointment and anger. The emotions experienced by the participants (expressible as properties) seem to be enduring and intensive (dimensional location).

Would the communication have differed in an organisation based in a different industry, with more or fewer employees, with different hierarchical structures, with more or less 'information', or with more or less openness?

People like the participant appear to surmise about negative scenarios that may affect them. Is it unfounded? Where do these thoughts come from? Are these thoughts self-initiated or triggered through external sources like the media, colleagues or their superiors, maybe both?

The participant finds a certain comfort by interacting with like-minded people ('fellow sufferers'). This is the 'group' he turns to so that he can make sense of the situation. Other colleagues and their expressed views may therefore have an impact on the individual and his (or her) subsequent behaviour (this requires further exploration).

It remains unclear whether the management is acting intentionally or ingenuously. The management may even be trying to play the employees off against each other (There is, however, currently not enough evidence to support this).

There are also still questions open as to how communication causally links to behaviour. Does the style of communication condition its success? How does the communication link to people's behaviour? What is set off when people come together in social interaction?

It almost seems as if there were interpenetrative processes going on. The people who interact seem to lose a lot of understanding. The words spoken seem to omit certain meanings (they are lost). This phenomenon was also identified in previous interviews. Even though people may be trying to act sincerely, certain meanings disappear or are not processed as they were intended (in some previous interview instances it seems as if the meanings were completely misunderstood).

If the communication was insincere, then some people may be able to sense this (life experiences or possibly a natural sensory perception?).

Some of the early concepts adopted 'in vivo codes'. In later stages the codes were constructed by the author based on his interpretation of the meaning of data fragments, sentences, paragraphs or even complete texts. Conceptual labels were assigned because of implied occurrences, actions, relations, situations, environments, conditions, influences or results (compare Douglas, 2003).

'Concepts' are in many cases still closely related to the individual's stories (raw data). Once these concepts had been compared and saturated by additional data, more abstract categories evolved. 'Categories' essentially signify the ideas of many individuals which have been conceptually abstracted and provide a general understanding of certain happenings. Concepts are thus nearer to the data than categories (compare Chapter 3).

It must be emphasised that specific data fragments (observations, texts, paragraphs, sentences or even single words) can have several connotations and it was not unusual that the same data was coded more than once for varying meanings (compare Douglas, 2003). A paragraph could be viewed as one concept whilst certain sentences within that same paragraph were again coded for other concepts. In some cases entire texts were even coded with an overarching concept.

Some statements may have multiple meanings (different categories and dimensions) depending on the researchers concerned. In the author's opinion, each researcher possesses his (or her) own deeply embedded subjective preconceptions that subliminally influence the

coding process. Varying interpretations by different researchers are thus possible and not unusual.

4.1.1 Open Coding

This section provides further examples of how the data was interpreted during open coding. Below are some of the original statements made by interview participants supplemented with a quick reference to the underlying coding procedures and corresponding memo excerpts. The examples given made use of 'sentence' and 'paragraph' coding. As indicated earlier, the concepts and categories denote events that are important to the respondents.

Example 1

Response by an employee who described her experiences in the weeks following the merger announcement:

"We were left to ourselves [alone]. At times one could get [I had] the impression that we had been overlooked or completely forgotten [weak voice].

...

We were left in the dark completely, at least in our department. Our superior was busy crafting his own career and apparently there was no need for us to know what would happen." (employee, translation, brackets added)

The respondent conveyed a sense of situational submission. Vocal and mimic expressions suggest that she felt helpless, feeble and lost during this time. Attention received before the merger was viewed as different, as more positive. It seems that the communication activity during the merger was negatively perceived and unsatisfying. This paragraph was coded for two categories:

- 1) The respondent expressed that she had felt as if she had been 'overlooked' during the transition phase. This articulation signifies a sense of being left alone or not being attended to as she had expected. She hints that she did not feel important to the organisation. These ideas were allotted to the concept/category: 'take no notice', property: motive, dimension: intentional/unintentional.
- 2) The interview respondent is also cynically implying that her superior was focussed on personal issues and did not show any concerns about communicating with his subordinates. Concept/category: 'self-centred superior', property: preoccupied, dimension: wilful/involuntary.

Example 2

Response from a senior manager who expressed (or who felt) that everyone in the organisation had been sufficiently informed about the evolving developments:

"We [I] tried to keep everyone in the loop [intention]. I had regular meetings with my department managers [seen as carriers of messages] to keep them [is equated to all staff members] up to date on the situation [positive and negative merger developments]." (manager, translation, brackets added)

The manager presupposes (possibly erroneously) that everyone was kept updated on the evolving situation within the organisation. He implicitly assumed that the managers would subsequently inform their subordinates about the results of the meeting (with equal intensity). There appeared no doubt that he thought that what he told his management team (messages, intentions or meanings) would be passed on 'unfiltered' to subordinate employees (no data loss). Eventually, this paragraph was coded for three concepts and categories.

- 1) The senior manager equates his communication practices to those of his managers. Concept/category: 'personal perception', property: level of self reflection; dimension: high/low.
- 2) This category refers to the line-managers who seem to be crucial for the ongoing communication chain. They can promote or inhibit the flow of communication. Concept/category: 'dissemination agent', property: circle of informed, dimension: inform subordinates/inform no one.
- 3) This category refers to the extent and way that merger information is passed on. Concept/category: 'pass on messages', property: scope, dimension: fully/partially.

Example 3

Citation from an employee who elaborates on departmental changes after the merger:

"Our feedback [opinion] was not valued. No one had ever asked for our opinion or ideas [no one cared about us]. We were confronted [overwhelmed] with the results, regardless of whether they made any sense or not [questions decision-making process, perceived feasibility]. Many decisions made were useless [of no perceived value to the employee] and had not been jointly thought through [no participation] for their practicability [hindrance to the employee?]." (employee, translation, brackets added)

There are indications of frustration, anger and rejection in this statement. The employee shows the desire to participate in the new organisation, this yearning, however, is not fulfilled. He indicates that his opinion, ideas and views are of no interest to the new organisation (are not requested), which is viewed as a mistake (inference: leads to demise of the organisation).

This paragraph was related to two categories:

- 1) The respondent picks up on issues of participation. Concept/category: 'employee involvement', property: participation, dimension: high/low.

- 2) The extent to which the expression of opinions and provision of advice on the progress of transition is promoted. Concept/category: 'feedback encouragement', property: endorsement, dimension: supported/not supported – backed/penalised.

Example 4

Below a senior manager describes his activities in the wake of the merger:

"I didn't have the time to speak with every one [subordinates]. I was extremely tied [little or no time] into issues that dealt with shaping and structuring the new organisation [structural]. This activity also included finding my own new role and responsibilities [positioning; self-centred; power establishment]" (manager, translation, brackets added)

Here, the senior manager provided insight into his personal activities and interests during the merger. The key intention may have been to gain an influential position within the new organisation. Thereby, the restructuring process served as a means to gain power. Concerns of subordinates during this time were not addressed. There were three categories identified for this paragraph:

- 1) The striving to gain a favourable position within the new organisation. Concept/category: 'internal repositioning process', property: scanning, dimension: known environment/unknown environment.
- 2) The process of attaining influence within the new organisation. Concept/category: 'power pursuance', property: positioning level, dimension: influential/non-influential.
- 3) Extent of how activities during the merger focus on the self or on others. Concept/category: 'self-centred activity', property: interest, dimension: own interests/interests of others.

Example 5

The following are statements from a leader who comments on employee walk-outs to competitors in the post-merger phase:

"During the merger it was essential to maintain control by keeping an eye on all developments, especially the hidden ones [awareness of unrest]. This monitoring also pertained to disruptive employee behaviour [negative connotation, unwanted] and unforeseen competitor movements [fear of attack]. We tried to react to [not prevent] any interferences [deviate from normal developments] as suitably as possible [resolute reaction]." (manager, translation, brackets added)

The manager was underpinning his statements with non-verbal signs (mainly enduring eye contact and supportive gesticulations). It seemed that the manager was trying to give the impression that he was resolute. Fully aware of potential unrest within the workforce, the manager made it clear that this was unwanted and intolerable behaviour which would be

penalised (discontent was counteracted with pressure). No thought (also not in subsequent statements) was given as to why there could be dissatisfaction among the workforce. There are no indications of constructive interaction just reaction (counteractive responses). This paragraph embodies a number of categories:

- 1) Maintaining the interests of the organisation. Protecting the organisation from potential harm (as viewed by the manager). Concept/category: 'organisational prerogative'. Property: control retention, dimension: maintain control/lose control.
- 2) Striking down any signs of potential unrest as they are viewed as a threat to the stability of the organisation. Concept/category: 'suppress unrest', property: extent, dimension: forceful/weak.
- 3) Taking a determined and firm position against those that may cause unrest. Concept/category: 'resolute appearance', property: visibility, dimension: visible/not visible.
- 4) Setting military-like boundaries to the 'corporate ground' that required protection. Concept/category: 'defence position', property: position, dimension: we/them.
- 5) Build up of threatening statements (warnings or even active countermeasures) to those possibly in opposition. Concepts/categories: 'repressive actions', property: action, dimension: carry out/threaten.
- 6) Description of behaviour not in alignment with organisational objectives. Concept/category: 'disruptive employee behaviour' – in vivo code, property: level of irritation, dimension: high/low.

Example 6

Comments from a respondent on missing feedback acknowledgement by superiors:

"Our sales initiatives [supportive actions] proposed to the department management [superior] remained uncommented [unintelligible]. One had the impression [generated presumption] that they had no interest at all [lack of acknowledgement] in what we were doing [supportive actions] or what we had to say [opinion] [rising anger and dissatisfaction]." (employee, translation, brackets added)

The respondent expresses discontent that no feedback was given and presupposes that this was done intentionally, for instance, due to lack of interest or other reasons. The true reason remains unknown (the inactivity of the superior can have numerous explanations). The management's inactivity causes discontentment. Although no apparent (visible) joint interaction has taken place, some form of negative or destructive communication has occurred even though both parties may have had the sincere desire to reach a level of agreement.

- 1) The extent to which employee responses are taken into account in change measures.
 Concept/category: 'feedback consideration', property: reaction, dimension: respond/ignore.
- 2) Clarity of the decision-making processes. Concept/category: 'decision transparency',
 property: reason, dimension: purposeful/thoughtless.
- 3) Degree of anger prompted at employee level due to merger-related incidents.
 Concept/category: 'anger', property: intensity, dimension: strong/weak.
- 4) Evolving assumptions within the workforce about why the management is behaving the way
 it is. Concepts/category: 'speculation about behaviour', property: premeditation, dimension:
 ingenuous/disingenuous.

Below are some of the concepts and categories from the early interviews, grouped and tentatively structured according to employee and senior manager experiences (open coding stage). This relational structure was formed after the first interviews had been analysed (early structural scheme, excerpt).

Figure 4.2 Initial Concept and Category Structure

Employee experienced merger effects ('employees')
critical events, imposed transformation (in vivo), external forces, confrontation, overwhelming (in vivo), adjustment necessity, conversion processes, lack of orientation, destabilised, potential risk of demise, new rules and norms, hardship, job loss, client loss, employee walkout, personal fate, career path, personal motives, break-up of networks, chance, career progress, enfoldment limitation, loss of independence (in vivo), new challenges, prospects, intimidated, anger, feelings of being lost ...
Senior management perceptions ('managers')
unavoidable process, necessities, market adaptation, structural redesign (in vivo), scale advantages (in vivo), synergy potential (in vivo), best of both worlds (in vivo), new leadership style, power shift, generation change, recruiting advantage, new market entrance, career break, wider product portfolio spread (in vivo), increased client attractiveness, personal perception, group income potential, dissemination agent, pass on messages, personal income potential, employee advancement prospects, expansion, position threat, setback (in vivo), promotion pass over ...

Source: Author

At this stage 'employees' and 'managers' were separated into two groups. In the initial structure there is a clear allocation of the concepts and categories to each group.

The systematic management of the data enabled structuring; first theoretical patterns became visible. Furthermore, the structure was beneficial for maintaining an overview of the numerous concepts and categories already derived.

The early scheme depicted above was a tentative classification which was further refined (subdivided) in subsequent stages of the analysis. It still lacked sufficient depth to explain communication in a merger. During the course of the analysis, many of the initial provisional concepts and categories were compared again with previous data, partly re-labelled or conceptually reassigned to other themes.

In later stages of the analysis, higher level (more abstract) categories were developed.

4.1.2 Axial Coding

Axial coding illustrates how the different concepts and categories structurally relate (conceptual construct) to each other. Categories with similar denotations were now grouped under a wider heading (higher level categories). Due to continuous grouping and reordering, a more advanced theoretical structure was ultimately developed.

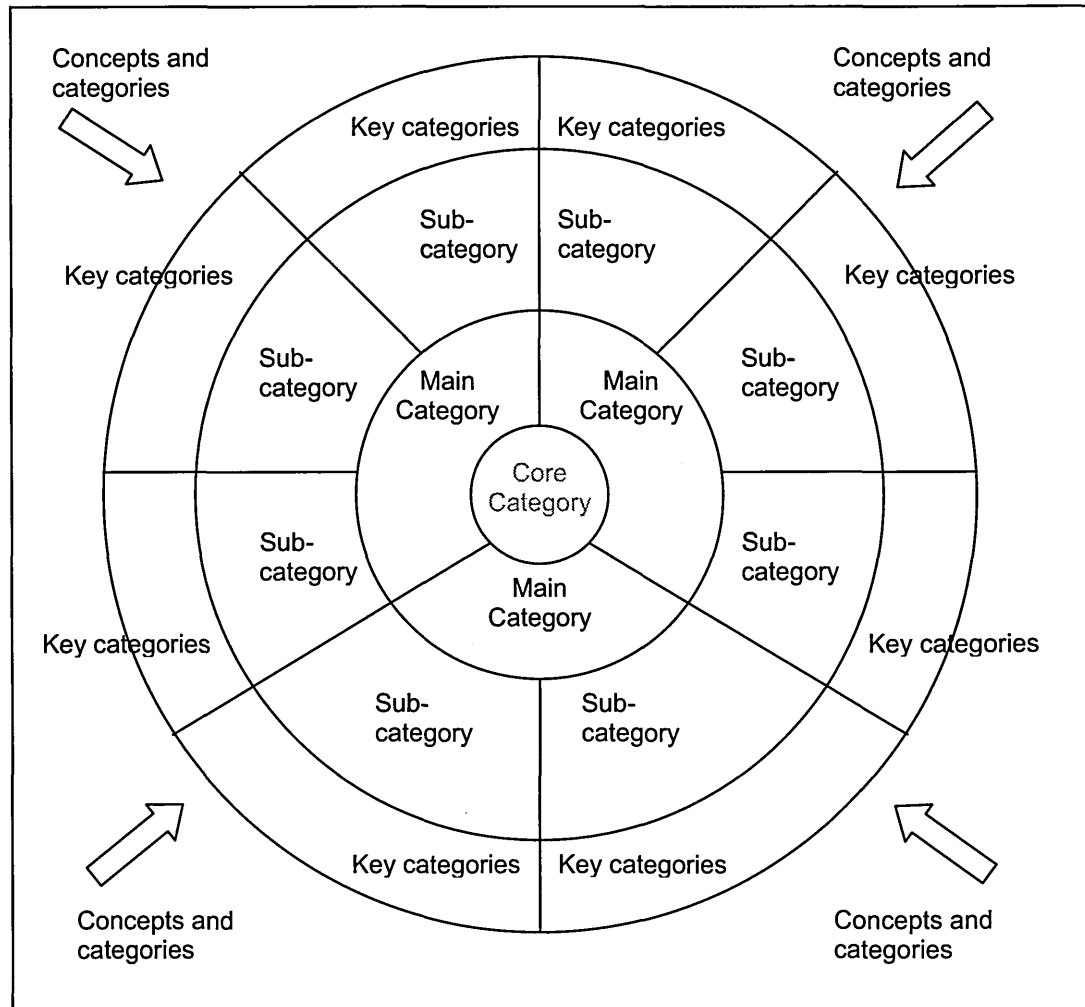
Axial coding involved building up a theoretical structure or "the conditional context in which a category (phenomenon) is situated" (Strauss and Corbin 1998: 123). In other words axial coding makes distinctive connections between lower and higher level categories. Previously fragmented data (concepts and categories) was reassembled "to form more precise and complete explanations about phenomena" (124). Depending on their level of abstraction, 'key categories', 'subcategories', and later 'main categories' were developed.

Initially, the concepts and categories generated were grouped under higher level key categories. Key categories provide an abstract image of a combination of several categories. At more advanced stages of axial coding the key categories were re-grouped to produce superordinate 'subcategories'. The subcategories are related to lower level categories on a dimensional level (e.g. their intensity). Subcategories give explanations about the phenomenon in terms of "When, why, who, how, and with what consequences, thus giving the concept greater explanatory power" (ibid: 125). It is thus possible that concepts could be categorised as a subcategory later, provided that they explain the phenomenon for several cases. Finally, main categories represent even more abstracted and condensed subcategories.

According to Strauss and Corbin (1998) axial coding essentially provides indications 'why' concepts and categories are related. Defined key categories, subcategories and main categories were not based on individual coding of interview transcripts, observations or documents but rather represent overarching conceptual connotations. The higher level categories developed do not describe stories of specific persons or groups but rather portray the settings in a wider sense; in other words they provide 'relational statements' of the scene. All through analysis, the concepts and categories derived were conceptually linked in order to explain the phenomenon. Strauss and Corbin note that there is no prescribed way of relationship building. In their view, importance should be given to the connection of categories so that they form a convincing theoretical construct.

Depending on the properties and dimensions assigned to each category, the categories were rated differently in terms of their significance. This rating in turn affected their positioning (relevance) in the overall category structure (see the illustration below).

Figure 4.3 Open and Axial Coding



Source: Author

Classifying categories to different levels was extremely helpful for building a theoretical structure – it helped to tease out the central themes in the data. Structuring the data in a systematic way also exposed gaps that required further exploration. Additionally, new questions were raised or previously undetected viewpoints became visible. Some of the early interviews, for instance, revealed that there was an apparent discrepancy in the way that the employees experienced the mergers and the way that the management thought that the employees were experiencing the mergers. Could this have been the cause of some of the misunderstandings identified?

During axial coding the data was also analysed for 'process'. According to Strauss and Corbin (1998), process signifies "sequences of action/interaction pertaining to a phenomenon as they evolve over time" (123). They add that "Process represents the dynamic and evolving nature of action/interaction. Process and structure are inextricably linked. Structure creates the context for action/interaction and, as such, is what gives it rhythm, pacing, form, and character" (ibid: 179). By using elements of the 'paradigm model' (see previous chapter), structures and process were conceptually linked.

Common questions typically asked during process analysis are suggested by Strauss and Corbin (1998): What is happening? How does this affect the 'interaction'? What changes and what stays the same? Why is change occurring? How are events linked to one another and why? How do unexpected interruptions affect the 'interactions'? These questions were constantly applied in order to identify relevant processes in the data. Process provided insight as to 'how' the events unfolded.

For the higher level key category 'misunderstanding', for instance, the following questions related to process were asked: How did the perceptions of 'misunderstanding' change as the merger progressed? Was this a constant state or only a periodic phenomenon? How did the intensity of 'misunderstanding' increase or decrease? On what circumstances was this misunderstanding based or what caused it? Who were the people involved? Were there similar cases without this kind of 'misunderstanding'? If yes, why was this so?

The answers to these questions were again established from the lower level concepts and categories derived earlier. Misunderstanding was, for instance, 'grounded' on 'misapprehensions of implied intent' (category), people had a certain meaning that they wanted to communicate but they were obviously unable to articulate this in a way understandable to the other party. This development in turn was misinterpreted and as a result unwarranted tensions arose. Apparently, these misunderstandings escalated as the merger progressed. In other cases people also resorted to speculation as they were not fully informed or had doubts about the credibility of their sources. They then made 'unfounded assertions' (category) about themselves and the situation that they had been in. There were cases reported where similar 'misunderstandings' had been avoided because of closer (more responsive) relations between the management and employees. According to some statements made, receptive relationships between management and employees were viewed as creating higher levels of understanding. There was more willingness on both sides to interact with each other. Disagreements were clarified more readily and easily.

The key category 'misunderstanding' aggregates the categories that involve misconstrued perceptions from the viewpoint of the employees; a common phenomenon observed during the interviews. There were several instances in which organisational communication was

apparently misapprehended. This situation can be because the organisation has communicated in an incomprehensible way or because the people in the organisation develop their own communication scheme (basing personal opinions on speculations or other unsupported assertions). However, these observations only account for one perspective. Other key categories have also been identified; they include perceived 'ignorance' on behalf of the management, or 'avoidance' of dealings with the employees. In the end, several other 'key categories' were defined. In all cases the sorting of categories to 'key categories' was based on thematic relationship.

A number of the key categories named, as well as others, were later thematically linked to the subcategory 'common employee perceptions'. This even broader category bundles employees' perspectives in terms of the perceived behaviour of their superiors during the merger. Essentially, the way that the employees viewed their management's actions as the merger evolved.

There were cases in which concepts and categories were assigned to more than one higher level category (key or subcategory). These allocations were purely based on the subjective interpretation of the author. Other conceptual allocations are also possible.

The former subcategory also encompasses views that the employees had of their new colleagues. Conflicts arising and the build-up of tensions expressed in the key category 'employee competition' or 'group' which expresses concerns of belonging to influential groups or not. People also valued the 'prospects' of the merger differently. While some participants saw the merger as a chance to develop their careers, the majority of those interviewed was more sceptical in terms of the potential benefits.

Eventually, eight subcategories evolved which are briefly outlined below. All subcategories involve elements of process (denoted with their dimensional characteristic):

- 'Common Employee Perceptions': this category stands for all categories dealing with views and expectations of the merger development by the employees. Many lower level categories are associated with negative perceptions of superiors and the transition processes witnessed.

Property: prevalence, dimension: common.

- 'Common Employer Perceptions': in this category, management's views are contrasted with the previous subcategory. Their views and expectations tend to differ considerably from those of the employees. Some categories express positive associations with the merger processes – although this is not applicable for all ancillary categories.

Property: prevalence, dimension: common.

- 'Disruptive Leadership Behaviour': comprises numerous lower level categories which identify possible related weaknesses commonly observed at senior management level during the course of merger (referred to mainly by experts and employees).

Property: stability, dimension: disruptive.

- 'Challenging Issues to be Overcome': is an overarching category that looks at key complexities unfolding in a merger which need solutions. The lower level categories were generated from data coming from managers, experts and employees.

Property: level of difficulty, dimension: challenging.

- 'Important Change Drivers': groups the different forces that impede or facilitate change processes as the merger progresses.

Property: relevance, dimension: important.

- 'Expected Leadership Behaviour': aggregates perceptions with regard to the desired behaviour of the management during a merger (from the viewpoint of employees and experts).

Property: conformance, dimension: expected.

- 'Perceived Elements of Interaction': is the category that bundles the ongoing intra-organisational interaction practices as viewed by the interview participants.

Property: discernment, dimension: perceived.

- 'Desired Communicative Behaviour': classifies categories which look at the conditions necessary for 'successful communication'.

Property: expectancy, dimension: desired.

The following examples portray how some of the categories were conceptually linked. The more detailed concept and category explanations are omitted at this point.

Example 7

Some of the data had multiple connotations. Consequently, varying connections to different categories and subcategories evolved. In this example several statements from different respondents were compared and conceptually linked to higher level categories. The following statement came from an employee who acts as a personal assistant to a partner in an auditing firm:

"Conveying positive information about the organisation and praising its advantages is not really satisfying to the individual within the organisation. This activity is just advertising not real communication." (translation, employee)

Concept/category: 'advertising activities' (property: effectiveness, dimension: effectual/ineffectual) and 'share messages' (property: acceptance, dimension belief/disbelief).

Another similar statement was made by a line-manager who expressed doubts about the organisation's communication strategy during the merger:

"We were told that we had the best chance to succeed in the market, we could double our sales by the end of the financial year. At the same time, we were told to work twice as hard and to put double effort into our work. We were already operating at our limits and a lot of people had already lost their jobs.

Certain objectives are all right, but they have to be realistic, otherwise people will think that this is just the usual blandishment. People are not stupid and they will not attach any value to these messages, in fact they will probably dismiss them as propaganda. This kind of talk was not really helpful in this situation" (employee, translation)

Concept/Category: 'advertising activities' (property: effectiveness, dimension: effectual/ineffectual) and 'inspirational talk' (property: acceptance, dimension: high/low).

Both paragraphs are similar in meaning and were thus coded for the concept 'advertising activities'. Both respondents expressed that the way the organisation was communicating with them did not correspond to the way that they perceived its actions. Corporate communication was thus only rated as a form of deal promotion. The respondents did not attach much value to the 'messages'.

There are indications that this kind of behaviour possibly undermines management's credibility – this form of behaviour is rated as being potentially disruptive to the working climate. The category 'advertising activities' was consequently grouped to the key category 'credibility problem' which looks at factors that undermine the management's credibility during a merger. The key category was conceptually associated to the subcategory 'common employee perceptions'. This higher level category reflects that a number of employees interviewed had similar views (in this case negative perceptions) about the communication practices of their organisation.

The concept 'share messages' derived from the first paragraph was also assigned to the key category 'mutual creation' which denotes shared meaning constructions between people. The latter category is assigned to the subcategory 'perceived elements of interaction' which comprises categories and key categories that provide indications on how people engage with one another during a merger (elements of communicative interaction).

In addition, the concept 'inspirational talk' from the second paragraph was also assigned to the key category 'credibility problem'. Forms of organisational discourse were, under certain circumstances, viewed as problematic (e.g. instances where organisational representatives said something but acted in apparent contradiction to their own statements). Abstractions from the category 'credibility problem' were allocated to the subcategory 'common employee perceptions'.

Another respondent (a consultant) also made similar statements to those just referred to. The candidate's statements, however, showed a stronger cynical undertone than the preceding statements. The paragraph was therefore coded somewhat differently than the former examples:

"Propagating the value and importance of people as often as possible and at the same time experiencing that numerous colleagues are asked to leave the organisation via a 'voluntary' dissolution of contract is not really what I would call very motivating."
(employee, translation)

Concept/category: 'mask actions' (property: perceptibility, dimension: subtle/obvious) and 'subdue unrest' (property: method, dimension: overt/disguised).

Another category labelled 'subdue unrest' was assigned to the key category 'evolving opposition'. This category groups factors that seem to trigger employee resistance. The key category is closely related to the key category 'credibility problem' although with slightly different connotations. Both key categories are again associated with the subcategory 'common employee perceptions'.

There were efforts to mask certain actions by the management as the consultant's statements hinted. Such activities may have been implemented in order to restrain possible unrest among the workforce. 'Masked' actions like imposed contract dissolutions are negatively perceived - possibly impinging on the intrinsic motivation levels of the individual.

The concept 'mask actions' was assigned to the key category: 'mask behaviour', a category that classifies concealed management agendas. 'Mask behaviour' is an ancillary category to 'disruptive leadership behaviour' (subcategory). This subcategory groups factors related to management behaviour that were rated as potentially disruptive to merger integration (viewpoints from employees and experts).

Essentially, the respondents expressed doubts that messages propagated by the organisation and its leaders did not correspond to actual practice. The respondents hinted that there may have been hidden motives which had not been addressed openly. There were inferences that the management resorts to pretence and propaganda in order to make the employees believe that they will benefit from the merger even if they may not.

This example has shown how elements of structure are associated to one another. Axial coding, however, also involves tying in aspects of 'process'. This procedure is now demonstrated in more detail in the following examples.

Example 8

The following quote came from a employee reflecting on the behaviour of his immediate superior at partner level:

"Actions speak louder than words. A senior manager who coldly lays off colleagues and at the same time speaks to me about maintaining good virtues and merits, demanding 130 percent performance, more quality focus and moderate salary demands should not be solely concerned with bemoaning his shrinking yearly bonus or trivial problems encountered with a private real-estate acquisition." (employee, translation)

Perceptions of the superior's actions and expressions are renounced by the employee. While the employee feels pressured to increase personal performance levels and reduce expectations, the superior acts in a two-faced manner. The employee infers that his superior acts in a hypocritical, complacent and exploitive way. He questions the sincerity of his superior's character and refers to the exemplary behaviour that he should demonstrate.

Initially the concepts 'acting false-faced' (property: visibility, dimension: obviously/obscure) and the category 'self-interested superior' (property: intensity, dimension: fully/partially) was formulated.

A statement taken from another interview was also coded for 'self-interested superior'. An administrative assistant (low hierarchy level) commented on the new middle and senior management benefits and bonus schemes that were implemented after the merger:

"They only care about their own positions and benefits; we just get what falls off the plate. They speak of 'our benefits' but essentially they are just trying to sell us their leftovers." (translation, employee)

The concepts and categories 'acting false-faced' and 'self-interested superior' relate to the perceived behaviour of a superior who encourages increased employee commitments but who himself seems to be solely concerned about personal (in this case financial) matters.

Thoughts relating to the abstraction level of categories and their subsequent positioning within the developing structure were made with the help of the 'paradigm model' (see Chapter 3). Thereby, ideas relating to process were introduced. The following example illustrates how the phenomenon expressed in the concepts and categories was analysed for process. The focus of the paradigm model is not to provide a perfect or complete analysis but rather to look at the data from a dimensional (or moving) perspective (compare Strauss and Corbin, 1998). Process

analysis is supportive for identifying variations in the data (looking at how the phenomenon changes over time). Process is thus helpful for understanding the structural linkages.

'Phenomenon': a leader calls for sacrifices from his employees but appears to put matters of personal well-being for himself first (canting talk).

'Conditions': the superior may simply be insensitive (inconsiderate) and may not realise that his talk leads to a certain resentment. It could also be a lack of leadership skills. The merger context may have led to a certain pressure to increase employee performance levels (which are now handed on to the employee).

'Actions/interactions': the remarks by the superior create resentment and a lack of understanding. An affected subordinate may feel exploited and may possibly reduce personal commitments. It is also possible that the employee now prioritises personal matters too. Remarks from the leader which have been well thought out (employee-oriented) could possibly reduce negative perceptions.

'Consequences': work relations may possibly be severely impaired, motivation may decrease; consequently, performance levels may also be negatively affected.

Having looked at issues of process, the following assumptions were made. The concept 'acting false-faced' was seen as a problem which could lead to credibility problems' (key category) of the management, whilst the category 'self-interested superior' seemed to suggest ideas stated by the key category 'follow personal motives'. This latter category groups assumptions with regard to superiors who seem to give precedence to personal issues rather than to employee concerns.

Both key categories are seen as factors that signify possible aspects related to 'disruptive leadership behaviour' (the corresponding and designated higher level 'subcategory' for both 'key categories').

Example 9

The following statement came from a line-manager who refers to the situation in his department and his relation to his immediate superiors:

"At no time during the last few years was I ever personally consulted by anyone about my views and concerns. If your work is not acknowledged and you are not being given any consideration and respect then why bother to give more back than you have to."
(employee, translation)

The preceding paragraph reflects a certain resignation by the line-manager who expresses disappointment about not being tied into departmental decision-making processes (feels left out, passed over). There is a desire to participate more but the manager's opinions have not

been consulted (endorsing participation). Consequently, performance and personal initiative are kept at minimum requirement levels.

The manager has (or may have had) the yearning (desire) to engage in more communicative interaction with his superior(s), i.e. to be more involved. This type of behaviour was observed with a number of respondents.

The preceding interview data was initially assigned to the categories: 'call for contribution' (property: want, dimension: high interest/low interest) as well as to the category 'yearning for acknowledgement' (property: appreciation, dimension: recognise/overlook).

Broken up into the elements of the 'paradigm model', the paragraph which was also exemplary for other responses can be analysed as follows:

'Phenomenon': being passed over, not being asked about things that are important to the individual, feeling of not being valued by others (here, superiors).

'Conditions': contextual conditions for this phenomenon seem to have come out of the merger (the process of integration). The underlying causal conditions cannot be pinpointed and remain unclear. More personal initiative may weaken such a perception (intervening factor).

'Actions/interactions': the subject responds with withdrawal, minimal return of work output, no own initiative to perform, he works to rule.

'Consequences': possible consequences may be a drop in productivity or performance. The individual may feel that his contribution is of no value and he might leave the organisation. Superiors may not understand the poor performance levels and may in turn resort to punishment or dismissal (vicious cycle).

Having looked at these procedural aspects, this category as well as other thematically related ones, were allotted to the higher level category: 'endorsing participation', a key category that groups ideas about how participation is promoted during mergers. Later on this key category was abstracted even further and grouped in the subcategory: 'desired communicative behaviour' which denotes employee expectations (and wants) concerning communication in the course of a merger.

Example 10

An administrator reflected on colleagues who had to leave the organisation. The lay-offs were formally justified with cost synergies and redundant job positions:

"They will kick you out of the organisation and in the end they will have convinced you that it is in your own interest and that you really wanted it this way all along. ... There were times when I was beginning to wonder whether this organisation was really beneficial to my development. Then I realised that these thoughts had been implanted

in me by the department head who was under pressure to reduce costs for personnel. He was almost successful in his efforts to talk me out of the organisation. ... I had seen the way that they had treated the others [people who had been dismissed in the course of the merger], this was not a very fine way of treating people who had committed many years of their life to this organisation." (employee, translation, bracket added)

In this case the employee suggests that the management resorts to manipulative (influential) activity in order to achieve its objective of cost reduction. As a 'survivor' of lay-offs the employee is critical of the way that the dismissals were carried out and communicated. It appears that the employee's perception of management credibility has decreased as a result. Additionally, this negative opinion has persisted over a long time (the colleagues had been laid off two years earlier).

This statement was initially assigned to the category 'manipulative activity' (property: design, dimension: planned/unplanned). The employee expresses that he feels manipulated. Similar denotations were also captured from other respondents and coded accordingly.

In terms of 'process' the paradigm model was once again applied:

'Phenomenon': the idea that people are influenced into leaving the organisation (as they are made to think, by personal choice) because managers try to avoid open dismissals or avoid addressing this issue openly (concealed/suggestive forms of redundancy).

'Conditions': managers may feel pressured to reduce staff because of cost pressures (as indicated). They may also dislike a certain employee and may see the merger as an opportunity (grounds for justification) to rid themselves of such a person. There may be intervening conditions like directives that prevent open redundancies.

'Actions/interactions': after identifying that the superior may be acting deceptively (against the interests of the respondents) he reacts by resisting to these perceived subliminal notions.

'Consequences': possible build-up of frustration, the employee may start to feel pressured or cornered. Commitment and loyalty may decrease. This condition may affect the respondent's work performance.

Through further grouping and abstraction, this and other related statements were allocated to the key category 'credibility problem', which groups similar statements made by other respondents. This category groups notions about the way that the management's reputation is damaged through its behaviour. This key category was later abstracted even further and adopted by the subcategory 'common employee perceptions' which describes the way that employees perceive the management's behaviour during the merger.

Example 11

An external expert who has actively accompanied and been consulted by other organisations on post-merger integration noted the following:

"Information e-mails by the board, intranet based Q&A-forums or tactically designed merger come-together venues are not what merger communication is about. Not even the cleverest rhetoric will persevere unless it is lived.

Authentic and credible merger communication has to happen face-to-face and needs to be lived day-by-day. People need to act together in order to communicate, it is more about listening to what people are saying 'between the lines' rather than what they are saying openly.

...

People will think that what they have said is clear and understandable and may not realise that this assumption is utterly wrong.

...

Even the smallest gestures or notions, whether intentional or not will be interpreted and can have profound effects on the self-esteem and motivation of an employee.

...

Communication is an ever continuous process that must try to be as individual-centred as possible. It should be serious, fair, plausible, thoughtful, careful as well as consistent. A vast majority of time of the regular day-to-day activity of the management will have to be committed to it." (expert, translation)

It is suggested that a vital element of merger-related interaction necessitates commitment, precision, thoroughness, diligence and the sincere will to interact closely with the people involved. In the external consultant's opinion, merger communication is ideally viewed as a communal process in which joint understanding is created not only through language but also through interpretive activity. He hints that this is often not understood as such.

These statements were initially linked to the category named 'interactive creation' (property: intensity, dimension: repeatedly/intermittently). It denotes a possible way of interaction during a merger.

'Phenomenon': when people communicate with each other during mergers certain gaps in understanding can arise. Communication is broader and more complex than one would initially assume. Many aspects of behaviour intertwine to form communication.

'Conditions': these misunderstandings or gaps may possibly arise from people's misconceptions about communication. People will be clear about what they mean when they interact with others. There may be the (misleading) presupposition that the meanings behind the messages are perceived in the same way by the other subjects(s) as the person initiating the communication intended them to be. Meanings may, however, be distorted or otherwise inaccurate (intervening factors).

'Actions/interactions': some organisations apparently use multiple forms of communication to get their meanings across. This measure may be an attempt to reduce meaning losses. Some may not realise that meanings can be altered (even through inconspicuous factors) and may not react at all (encompass these factors in their internal communication). People may misunderstand (misinterpret) the situation. The people within the organisation may be confused or generate wrong presumptions.

'Consequences': some employees may react in a different way than the management expects. Another consequence could be that some people resort to actions that may be disadvantageous to the organisation.

Later these statements were assigned to the more abstract key category 'mutual creation'. This category groups thoughts about the way that people jointly interact. This key category was subsequently allotted to the even broader subcategory: 'perceived elements of interaction'. Essentially, this subcategory broadens the understanding of communication-related practices in the course of a merger.

Example 12

A senior executive actively involved in the integration process reflecting on the consequences of thoughtless or inconsiderate behaviour of the management during a merger:

"All of our actions should be regarded as a communicative act; even if we are unaware of it, colleagues will keep an eye on everything we do, regardless of how irrelevant we may personally perceive our own behaviour to be. Based on their observations and interpretations – and possible over-interpretations – they will use us as a comparative benchmark for their own actions. A moment of thoughtlessness in which an unintended indiscriminate statement is made can cause great misunderstanding." (manager, translation)

All visible actions of the management are interpreted and influence the people within the organisation, the executive contends. Communication, it is inferred, involves interdependencies between people. Leaders will unconsciously influence the thoughts and subsequent behaviour of their subordinates.

The quote was assigned to the category 'people-centred' (property: consideration, dimension: thoughtful/thoughtless). The executive contends that managers are valued by their behaviour and that there is need for them to act attentively at all times.

'Phenomenon': all actions by superiors, regardless of whether they are visible or simply presumed, guide the employees' behaviour. Inattentiveness can have detrimental effects on the way the employees perceive their management.

'Conditions': employees may view their superiors as the figures directing how things are and should be done. People may see them as models or benchmarks for their own behaviour; in the sense of 'if the leader is doing it why shouldn't I do the same'. They may adjust their value systems to those of their superiors. The leader may possibly condition employee's actions (intervene) by showing exemplary behaviour.

Actions/interactions: some people within the organisation may use the behaviour of the management to guide their own behaviour. People may copy traits or qualities from their superiors (also negatively viewed behaviour).

'Consequences': people who pick up 'negative' traits from their superiors may not act in accordance with the organisation's values and aims. This situation may affect performance, increase labour turnover or even encourage acts of wrongdoing.

At subsequent stages this category was reassigned to the key category 'people-oriented' which, grouping similar denotations, takes a broader perspective towards people-related behaviour from the perspective of the management. In the more advanced phases this category was subordinated under the subcategory: 'common employer perceptions'.

Example 13

An expert reported on his personal experiences regarding the mergers he has dealt with:

"Successful integration during mergers can probably only work if you install a completely new and unbiased management that is accepted by both sides. Of course this is a very unlikely scenario which remains unrealised in most cases. A manager who negotiated a merger will not be inclined to step down voluntarily. This situation would mean losing the strived-for benefits, the increase of power as well as peer recognition." (expert, translation)

Replacing former managers is viewed as feasible means of change during a merger. It is inferred that this will generate acceptance by employees in both organisations. Conversely, it is indicated that managers will rarely accept such a measure willingly.

Initially, the idea was labelled as a concept with the label 'substitute management' (property: extent, dimension: fully/partially). Furthermore, the statement was coded to the categories 'self-

actualisation drive' (property: intensity, dimension: high/low) and 'peer acknowledgment' (property: beneficiary, dimension: self/others).

This category was further analysed for process:

'Phenomenon': it is argued that installing a completely new management will facilitate merger integration efforts. A new management may possibly be unencumbered.

'Conditions': people from both organisations faced with a merger may view a new management as unbiased. People who are new to a situation may be less prejudiced towards the new situation as they did not initiate the merger or were themselves previously subjected to it. Powerful forces within the new organisation could, however, try to influence these new managers into making decisions in their interest (possible intervening conditions).

'actions/interactions': the instalment of new management is in most cases not viewed as a realisable option. The designated management that led or controls the change will probably show reluctance to these kinds of changes (power-driven individuals). People in senior management positions, unless faced with further advancement opportunities elsewhere, will probably show only little inclination to step down and to let other people take over for them.

'Consequences': it is expected that changes in management will only be realisable in exceptional cases. In most cases, the existing management will probably stay installed. A newly-installed management may, however, also lack the necessary organisational insights and experience. In turn unfavourable decisions may be the outcome.

As coding progressed, the concept 'substitute management' was allocated to the key category 'change facilitator', a category that comprises elements that facilitate change. This key category was itself grouped to the more senior subcategory 'important change drivers' which categorises important change facilitators or impediments during merger integration.

The other categories 'peer acknowledgement' and 'self-actualisation drive' were conceptually associated to the key category: 'enthusiastic'. This key category aggregates factors that appear to strengthen the management's enthusiasm towards a merger. 'Enthusiastic' is an ancillary category to 'common employer perceptions' (subcategory). This category conceptualises viewpoints of merger development from the perspective of the senior management.

4.1.3 Result of Open and Axial Coding

A number of theoretical constructs developed in the course of open and axial coding which were subject to continuous refinement. The framework depicted in Figure 4.4 represents the foundation structure for the final theoretical construct. Here, the concepts, categories, key categories and subcategories which serve as a base for the subsequent selective coding (core category and theory building) are interlinked. Due to limitations of scope, it is not possible to provide explanations for all of the concepts and categories illustrated.

There are several premises related to this framework which require explanation:

- In some cases concepts and categories appear closely related. However, these apparent similarities go back to meaning deviations based on varying situational factors or differing viewpoints of the participants.
- In order to provide an indication which groups the concepts and categories have evolved from they are marked throughout Figure 4.4 either with 'M' for manager, 'E' for employee or 'X' for expert. In cases where interview observations or documents were coded these are marked with an 'O' for observation or 'D' for documentation. The codes related to observations and documents depicted in the final scheme refer to concepts only (specific instances which were labelled). In almost all cases, previous insights from observations and documents were later reassigned (abstracted) to higher level categories; their overall representation in the final structural scheme is thus fairly low. Only a few participants provided supplementary documents. Most coding ultimately concentrated on the analysis of the interview transcripts.
- A distinctive participant allotment to specific groups or types of data gathered can only be made at the level of basic concepts and categories. Higher level categories like key categories and subcategories represent more generic abstractions aggregating one or several lower level concepts and categories. More advanced categories combine whole sets of categories and may therefore take account of connotations from different candidate groups. For these categories it is not possible to break the data down to the individual candidate level.
- In grounded theory all data is treated equally and is considered to have the same value for theory generation. In this case it is regardless of whether the data comes from employees, managers or experts. No group input is preferred over another one. Readers are reminded that grounded theory seeks to capture experiences of critical events that the candidates have witnessed. It is not the profile or opinion of the individual candidate that is interesting but solely the candidates' experiences. There is also no intention in grounded theory to delineate the groups questioned but rather quite the opposite of establishing common patterns in the data from the varying sources (compare Strauss and Corbin, 1990; Strauss and Corbin, 1998). Expert experiences, for instance, are not valued over employee experiences; statements made by experts are simply regarded as another 'slice of data'.
- Several concepts and categories were relabelled during the data collection and analysis process (the figure below only represents the final scheme). A number of early codes (especially a number of in vivo codes) were modified during the course of the research. There may be instances in which a single category may have been assigned to a number

of different candidates (e.g. instances in which a similar experience was described); this situation may also pertain to people from other groups (e.g. candidates from different groups having similar experiences). Additionally, there can be cases in which the same code was assigned to several instances in an interview situation (e.g. recurring experiences).

Figure 4.4 Result of Open and Axial Coding

Subcategory	Key Categories	Categories and Concepts
Common Employee Perceptions (E, X)	Misunderstanding (E)	mutual misinterpretation (E), expression perception (E), new rules and norms (E), misapprehension of implied intent (E), behaviour misjudgement (E), alleged misconduct (E), misunderstanding process (E), unfounded assertions (E), speculation about behaviour (E), unsubstantiated assumptions (E)
	Ignorance (E, X)	apprehension unawareness (X), active neglect (E), overlooking problems (E), forgetting about team (E), intentional negligence (E), problem ignorance (E), inattentive behaviour (E), disregarding concerns (E), blend-out unrest (X), take no notice (E), lack of involvement (E), ignore problems (E), ignore labour turnover (X), disregard distress (E), information event rescheduling (E), self-centred superior (E), lack of interest (E)
	Avoidance (E, X)	avoid conflict (X), circumvent opposition (X), negligence of concerns (X), ignore people (E), evade pressure (E), isolated solutions (X), duck from responsibility (X), leave unaided (E), unaccompanied, employee involvement (E), delay measures intentionally (E), abandon people (E), leave isolated (E), uncaring superior (E), unfeeling superior (E), selfish behaviour (E), decision deferment (X), play down fluctuation (E), postpone HR decisions (X), feedback encouragement (E), undecided change processes (E), delay work-site decisions (E)
	Evolving Opposition (E, X)	employee walkout (E), confrontation with superiors (E), potential risk of demise (E), conversion processes (E), losing autonomy (E), subjugation pretence (E), superior submission (E), lack of orientation (E), subdue unrest (E), suppressive measures (E), undemocratic activity (E), autocratic management, reprisal actions (E), ban voice (E), vengeance (E), voice formation (X), resistive behaviour (X), management imposed changes (E), active resistance (E), refuting voice (E), suppressive actions (E), conspiracies (X), acts of sabotage (E), adjustment necessity (E), enfoldment limitation (E), career limiting move (E)

	Credibility Problem (E, X)	staged events (E), inner disloyalty (E), lack of trust (E), negative past experiences (E), unrealistic objectives (E), two faced (E), insincere behaviour (E), deceitful actions (E), perception of propaganda (X), advertising activities (E), dishonest motives (E), canting (E), superficial practice (E), corrupt perception (E), manipulative activity (E), calculated labour turnover practice (X), unfair behaviour (E), unreasonable decisions (E), implausible actions (E), meaningless information (E), superficial practices (E), unnecessary change perception (E), excessive reactions (X), unrealistic prospects (E), far fetched ideas (E), invented success stories (X), fabricated retrospectives (X), information vagueness (E), alleging a charade (X), inspirational talk (E)
	Employee Competition (E, X)	inner conflict (E), critical events (E), work disorders (E), team instability (E), active fighting (E), project turbulence (E), frequent arguments (E), incommensurable differences (E), cultural divergence (X), escalation of clashes (E), contradictions of belief (E), disguised dispute (E), arising tension (E), controversy (E), line-manager quarrel (E), colleague dissension (E), opposition, rebellion (E), power games (E), internal rivalry (E), collusive behaviour (X), unfounded accusations (E), jealousy (E), fierce competition (E), mutual suspicion (E), cultural denouncement (X), hidden conflicts (X), position battles (E), client appropriation discords (E), superior escalation of tensions (E)
	Group (E, X)	insider (X), outsider (X), new challenges (E)
	Prospects (E, X, D)	new start situation (X), potential career prospects (X/D), change benefits (E), mourning the past (X), senselessness of upcoming change (E)

Subcategory	Key Categories	Categories and Concepts
<p>Challenging Issues to be Overcome (M, E, X)</p>	<p>Experienced Emotional Conditions (M, E, X, O)</p>	<p>personal doubt (E), insecurity about future (E), ambiguity and uncertainty (E), outright fear (X), experienced anxiety (E), personal worries (E), change apprehension (X), constant nervousness (E), trapped in hesitancy (E), indecisive behaviour (E), condition of confusion (X), avoiding decisions (M), feelings of uneasiness (E), unclearness about the future (M), unemployment expectancy (E), state of agony (X), feelings of being lost (E), escalated detestation (X), revenge opportunity (M/O), indistinctness (E), extent of anonymity (X), personal fate (E), long term job security (M), discomforting work situation (M), relocation fears (E), new work environment (E), worry about colleagues (E), seeing chances (E), prospects of advancement (M), feeling helpless (E), intimidation measures (E), daunted spirit (E/O), want for relief (E)</p>
		<p>resilience levels (M), defiance will (M), stress susceptibility (X), stress exposure (X), degree of optimism (E), perceived opportunities (E), signs of enthusiasm (M), overcoming fear of failure (M), inner strength (E), inclination to experience tension (X), self-liberation (M/O)</p>
	<p>Expected Complexities (M, E, X)</p>	<p>the unknown (E), blurred future (M), mystery situation (M), issues of secrecy (M), new colleagues (E), new tasks (E), new leadership style (M), fulfilment of career promises (M), cultural differences (M), fears (E), uncertainties (X), fundamental changes (X), impact on personal life (E), negative notions (E), unclear career development (E), cultural differences (X), internal rivalry (X), new competition (M), hidden conflict (X), suppression by superior (E), inability to express voice (E), helplessness (E), upcoming challenges (E), open confrontations (M), interpersonal conflict (X), fear of failure (E)</p>

Subcategory	Key Categories	Categories and Concepts	
Disruptive Leadership Behaviour (M, E, X)	Incapacities (E)	perceived inabilities (E), lack of social competence (E), letting people hang in the air (X), evolving misunderstanding (E), intolerant behaviour (E), disrespectful treatment (E), misinterpretation (E), uncompromising leader (E), harsh tone (E), unfeasible decisions (E), poorly co-ordinated actions (X)	
	Implementation of New Standards (E)	cultural friction (E), incompatibility of work routines (E), irreconcilable differences (X), force (E), imposed standards and routines (E), difficult coexistence (E), contradictory standards (E), subdue former customs and ways of doing things (X), suppress former tradition (E), remodelled work routine (E)	
	Follow Personal Interests (M, E, X, O)		power pursuance (M), self-centred activity (M), self-interested superior (E), perceived egoism (M/O), self-absorbed (E)
			insensitive behaviour (E), selfish actions (E), egocentric (E), ignorance (E)
			self-preservation activities (E), defence position (M), self-protection (E), survival objective (E), secure personal existence (E)
	Maintain and Uphold Power (M, E, X)		power to exert power (X), utilise influence (E), dominance behaviour (E), show supremacy (X), exhibit strength (E), exert control (E), authority (E), rule creation (E), taking command (E), capacity to facilitate movement (X), actions are not conferred (E), work imposition (E), prioritise self-preservation (X)
			punishment forms (E), repressive actions (M), penalties and sanctions (M), restriction implementation (E), threaten disciplinary action (E)
	Mask Behaviour (E)		concealment of motives (E), disguise motive (E), mask actions (E), secrecy maintenance (E), exclude employees (E), voice prohibition (E), subdue unrest (E), calm down measures (E), pacify employees (E), quiet down procedures (E), set traps (E), acting false-faced (E)

Subcategory	Key Categories	Categories and Concepts
Expected Leadership Behaviour (E, X)	Competence (E, X)	leadership capability (E), leadership skills (X), market aptitude (X), proven competence (E), professional qualification (E), related experience (E), track record (E), expertise (E), management know-how (E)
	Recognition (E)	provide acknowledgement (E), build trustworthiness (E), performance recognition (E), employee appreciation (E), respectful treatment (E), reward accomplishments (E)
	Traits (E, X)	charismatic characteristics (X), appealing personality (X), strong personality (E), leadership traits (X), showing compassion (E), exhibiting decisiveness (E), empathetic skills (X)
	Character (E)	live integrity (E), moral values (E), good reputation (E), veracity (E), reliable behaviour (E), maintaining principles (E), achievement distinction (E), respectful treatment (E), personal credit (E), honour promises (E), act decently (E), social responsibility (E)
	Support (E, X)	encourage (E), assist others (E), provide support (E), brace weaker colleagues (X), taking part (E), decision exclusion (E), decision inclusion (E), voice opinion (E), concern expression (X), no influence (E)
	Addressing Matters of Relevance (E, X)	substance (X), communication content (X), important matter (X), personal relevance (E), personal bearing (E), expected consequences (E)

Subcategory	Key Categories	Categories and Concepts
Desired Communicative Behaviour (M, E, X)	Endorsing Participation (M, E, X)	sharing knowledge (X), involving (E), call for contribution (E), membership encouragement (E), input endorsement (M), team association (M), feedback interest (M), mutual (M), joint (E), mediation skills (M), consensus situations (X), yearning for acknowledgement (E), team building (M)
	Upholding Credibility (M, E)	trustworthy behaviour (E), living fairness (M), maintaining openness (M), direct words (E), sincere treatment (E)
	Exemplary Behaviour (M, E)	lived actions (E), exemplary behaviour (M), living words (E), role model (M)
	Empathy (E, X)	taking position of others (X), compassion for concerns (X), understanding distressed feelings (E), comprehending apprehensions (E), fair-minded (E)
	Interest Taking (M, E, D)	curiosity and interest (M), support (M), provide confidence (E), promote feedback (D), earnest problem consideration (E)
	Consideration (M, E, X)	relevance (E), importance (E), attention (E), consideration (E), notice (E), empowerment (M) promotion (E), quality (M), thoughtfulness (E), respect for subordinates (M), exhibiting selflessness (M), showing concern (M), sympathy and sensitivity (X), value orientation (M), attention to detail (M), care for others (E), brace against hardships (E)
	Decisive Actions (M, E)	direction (E), decisiveness (M), quick decisions (M), consequent (M), strategy (M), keeping course (M), showing the route (M), clear objectives (M), providing aims (M), showing means of accomplishment (M), reasonable management technique (E), maintaining clarity (E), decision transparency (E), straightforwardness (E), maintaining plainness (M), sense of road ahead (M), positive and negative decisions (M)

Subcategory	Key Categories	Categories and Concepts
Perceived Elements of Interaction (M, E, X)	Mutual Creation (M, E, X)	reciprocal (X), interactive creation (X), exchange situation (M), interaction process (M), relational statements (X), mutual dealings (E), joint contact (E), share messages (E), receive messages (M), moderator involvement (X), moderate concerns (M), subjective realm (X), co-joint (E), domain of interdependence (X), confluence factors (X), conjecturing process (M), subliminal thinking (E), exchanging intentions and ideas (X),
	Substance Sharing (M, E, X, D)	messages information (M), scarce information (E), information (M), conveying ideas (M), making sense of the situation (E), meaning transmission (X), stating values (D), conveying implications (M), thought diffusion (X), dissemination mediums (M), surface effects (X), perceived intentions (X), observing superiors (E), hinted suggestions (E), unverified claims (E), purporting rumours (M), thought-sharing (E), communication content (M), show (M), sales event (M), lack of reliable information (M), information overflow (E), relevant themes (M), indoctrination procedures (E), justification measures (E), propaganda perception (E), one-sided dialogue (D), pass on messages (M), impressions of corporate life (E)
	Formal Route (M, D)	official (M), press and other media leadership messages (D), positive messages (M), testing (M), work assessment (M), cautious messaging (M), watching responses (M), suspicious behaviour (M), proof of declarations (M)
	Informal Route (M, E, X)	networking (M), rumour building (M), rumour escalation (M), gossip dissemination (M), reliable data (M), negative messages (M), opinion building process (E), impression overkill (E), overwhelming information flood (X), unverifiable messages (E), lack of reliable sources (E)

Subcategory	Key Categories	Categories and Concepts
Common Employer Perceptions (M, E, X)	Enthusiastic (M, X)	taking an optimistic standpoint (M), positive thinking (M), self-actualisation drive (X), confidence building skills (M), confident (M), prospective (M), selling focus (M), appraisal (M), gaining support (M), captivating (M), attractive chances (M), win-over potential (M), persuasive capabilities (M), inspirational capabilities (M), peer acknowledgement (X), propagating optimism (M), eagerness to advance (M)
	People-Oriented (M)	personal income potential (M), employee advancement prospects (M), caring about people (M), addressing concerns (M), thoughtful (M), people-centred (M), career booster (M), deliver on promise (M), affirmation-oriented (M), mindful of concerns (M)
	Straightforward (M, X)	realistic forecasts (X), sincere conduct (M), decisive action (M), quick decision-making (M), truthful as possible (M), consistent decision-making (M), clear messages (M), information sufficiency (M), communication-focussed (M), resolute appearance (M), charismatic appearance (M), upfront about objectives (M)
	Organisation Interest (M, E)	unavoidable process (M), recruiting advantage (M), new market entrance (M), group income potential (M), leadership-oriented (M), organisational change (M), structural change (M), strategy-focussed (M), uphold power (E), contain (E), organisational prerogative (M), organisational bearing (M), market adaptation (M), increased client attractiveness (M), seamless and high-quality client service (M)
	Incomprehensible Opposition (M, E)	unexpected resistance (M), interpersonal employee conflicts (M), efficiency decrease (M), dissemination agent (M), productivity slumps (M), commitment lacks (M), lowered loyalty (E), market downturn (M), watchful of threats (E), lack of support (M)
	Partial Democracy (M, E)	employee-input (M), feedback consideration (E), feedback-oriented (M), organisational well-being (M)
	Integration Potential (M, X)	cultural similarity (M), like-minded employees (M), high concurrence level (M), level of compatibility (X), people differences (M), perception congruence (X)

	Temporal Power Shifts (M, E)	power shift (M), natural selection (M), position finding (E), internal repositioning process (M), position threat (M), promotion pass over (M), circumspection of colleague intentions (M), malcontent of colleague actions (M)
	Necessary Restructuring (M)	unavoidable redundancies (M), restructuring (M), profit focus (M), efficiency optimisation (M), productivity levels (M), motivation (M), degree of chargeability (M), future prospects (M), market adaptation (M), competition response (M), unexpected market developments (M), momentum of market change (M)

Subcategory	Key Categories	Categories and Concepts
Important Change Drivers (M, E, X)	Change Facilitators (M, E, X)	promotion activities (M), supportive acts (M), develop subordinates (E), departmental work climate (E), show perspective (M), positive colleague work relationship (E), justifying decisions to employees (X), consider subordinate concerns (M), encourage involvement (E), team spirit (M), seek opportunities (M), substitute management (X), use as springboard (M), room for development (M), leadership reassurance (M), rescue plan (M), natural exuberance (M), intrinsic motivation (M), cordial treatment (E), clear-cut decision-making (X)
	Change Impediments (M, E, X)	organisational constraints (M), external forces (E), feeling overwhelmed (E), missing sponsorship (E), patronage (M), leadership interference (E), concealed rivalry and competition (X), deteriorating market conditions (M), unfulfilled promise (E), contrived enthusiasm (E), inattentive behaviour (E), potential inhibition (E), break-up of networks (E), delimitation of superiors (E), superior tactical behaviour (E), employer interest interference (E), employee aim collision/hidden agenda (E), environmental factors (M), suppress unrest (M), percentage of chargeability (M), cogitation (X), pitfall position (E), overdrawn expectations (X), failure to act (M), perceived silence and passivity (E)

Source: Author

After the subcategories had emerged, these were again conceptually bundled and aggregated into even more abstract 'main categories'. In other words, the 'subcategories' that had developed were coded yet again. This step was important because it was felt that the subcategories were not sufficiently interlinked to develop a coherent theory at that point. The purpose of this additional theoretical abstraction was to develop a stronger 'theoretical outline'.

The main categories express conceptual linkages and designate the central theme of the research. Their interpretation is thus decisive for any theory building, i.e. the result of the data analysis. These advanced procedures constituted the final stage of axial coding.

Several subcategories were combined conceptually due to their related characteristics. This analytic rearranging, it was felt, actually strengthened their explanatory power. In the figure below the main categories and their conceptual links to the corresponding 'subcategories' (advanced axial coding) are illustrated:

Figure 4.5 Main Categories and Subcategories

Main Category	Subcategory
Developing Perception Discrepancy	Common Employee Perceptions
	Common Employer Perceptions
Main Category	Subcategory
Influential Exposure	Disruptive Leadership Behaviour
	Challenging Issues to be Overcome
	Important Change Drivers
Main Category	Subcategory
Evolving Sensual Imprints	Expected Leadership Behaviour
	Desired Communicative Behaviour
	Perceived Elements of Interaction

Source: Author

Again, category building is influenced by various aspects of structure and process. Below the main categories that evolved are explained in more detail. Please note that the main categories (as the subcategories presented earlier) are characterised by their dimensional specification:

- 'Developing perception discrepancy': there appear to be fundamental variations of perception within organisations. While some differences are visible within all hierarchy levels (intra-level), the greatest divergence appears to lie between senior managers' and employees' perceptions (inter-level). The discrepancies are not static, but rather show varying developments: they can increase, persist, or decrease as the merger progresses. There are, however, no apparent regularities (patterns) in terms of their 'normal

progression'. It seems that these discrepancies arise from the given circumstances of each merger situation.

Some discrepancies are of a transient nature, while others seem have a more enduring character. Furthermore, there are also differences in regard to the perceived severity.

Property: progress, dimension: developing.

- 'Influential exposure': the merger context and other situational factors appear to influence people and the way that they interact with one another. Influential exposure describes the external factors people are subjected to in the merger environment. These externally generated influences impinge on the individual, the way that they act and react. On the one hand, there is behaviour by the leadership that is perceived as inapt, whereas on the other hand there are merger-related issues that need to be overcome. Finally, there are also different drivers that can impede or facilitate ongoing changes. All of these factors appear to be linked and it is argued that they can interrelate.

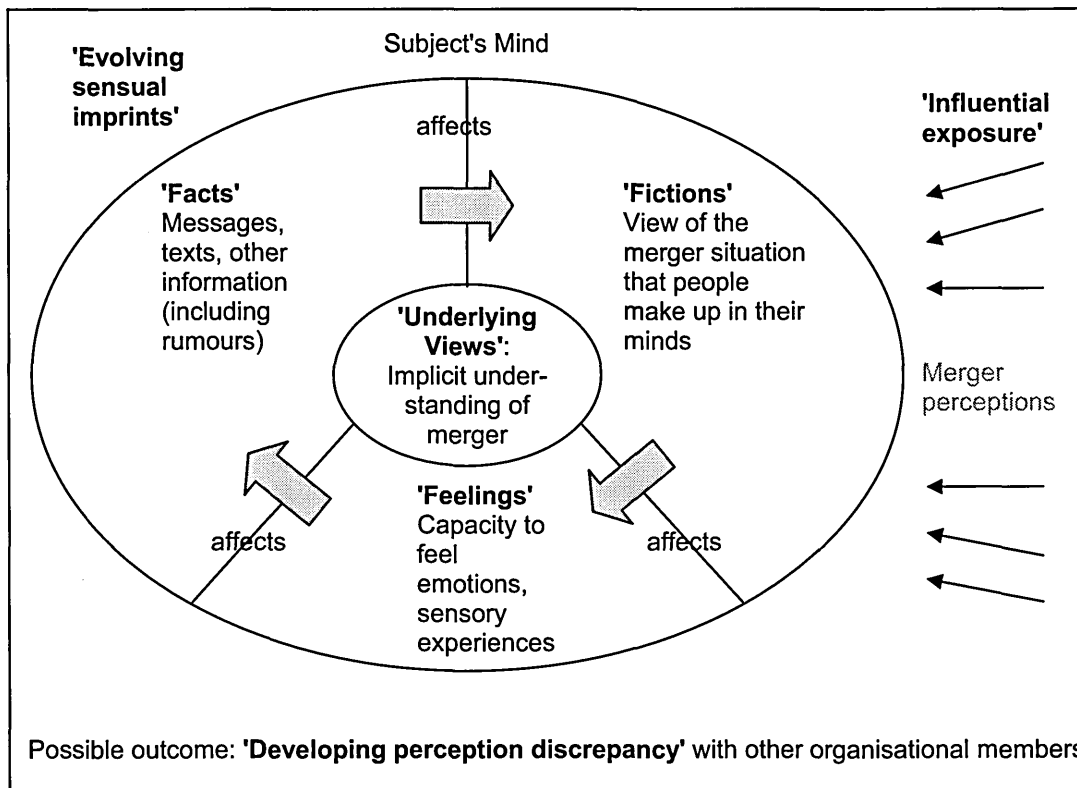
Property: relevance, dimension: influential.

- 'Evolving sensual imprints': people's senses appear to impinge on their imprints of reality which in turn influences their relations with other individuals. There appear to be internal scenes that signify the way that people deal with 'reality' (or what they regard as reality). Thereby, 'facts', 'feelings' and 'fictions' (see figure and memo excerpt below) act together to form an implicit understanding of the merger situation. Through this blending of different factors, underlying views about the merger are created. Sensual imprints are dynamic in nature and appear to change as the merger progresses. The participants asked about this confirmed that their attitudes changed considerably during the course of the merger. Some respondents also stated that they experienced strong fluctuations in terms of their emotional state. These changes in people's underlying views were usually related to certain announcements, new relationships to colleagues, subordinates or superiors, organisational changes or, as reported in a few cases, linked to no known cause.

Property: progression, dimension: evolving.

The following figure illustrates how 'evolving sensual imprints' develop based on 'facts', 'fictions' and 'feelings'. It is inferred that the interplay of 'evolving sensual imprints' and 'influential exposure' results in 'developing perception discrepancies'. The model is based on a memo developed in the final stages of open and axial coding.

Figure 4.6 Relation of Main Categories



Source: Author, memo excerpt

Further thoughts concerning evolving sensual imprints were made in the corresponding memo:

The model illustrates that the participants are constantly exposed to new perceptions (influential contextual exposure) which generate thought processes. Understanding of merger developments is apparently constantly being redefined and it appears as if at least three factors impinge on one another (in this model): (1) termed as 'fictions' a part of reality is made up in the mind (essentially filling reality gaps – things we cannot perceive). (2) 'Feelings' are created (in intensity and form) and deeply rooted in the individual. Past experiences, sensory capabilities or other mental factors are just a few identified factors that seem to affect the way that the participants experience feelings. (3) 'Facts' refer to information (verbal or non-verbal forms of communication), things that people say, do or write.

These three factors appear to blend with one another; the outcome is each individual's own unique view. Thereby, every participant seems to create their own 'underlying view' of the situation (no two of which seem to be exactly alike), even though the meaning communicated is intended to be the same.

This conclusion is backed by various participants' responses who were asked to rate certain communication. Even though some answers were similar, no two rated the communication in a similar manner. There were deviations in the participant's statement which appear to be influenced by one or more of these three factors identified (memo excerpt).

At this stage of coding the categories had reached a status of density and a rigid theoretical structure had evolved. Consequently, it was now time to stop the open and axial coding process.

4.1.4 Selective Coding

In the final coding phase, the activities focussed on the development of a theory. This theory was grounded on the interrelationships between the categories which had been derived from axial coding.

All coding now concentrated on generating the 'core category' which sets out to explain what the research is all about. The core category explains the relational linkage of all categories identified. Having "analytic power" (Strauss and Corbin, 1998: 146) the core category represents the "explanatory whole" (146) of the research.

All the categories and concepts which had been developed were once more reviewed in terms of their conceptual relationships. This procedure involved looking at the soundness of the relational structures as well as the elements of process. The analysis concentrated on identifying categories that occurred frequently in the data and that had strong connections to other categories.

At the same time, it was evaluated whether there were any intervening categories or other contradictory factors. There were, however, no relevant category contradictions identified.

Efforts at this stage also concentrated on identifying recurring thematic patterns (consistencies) in the data. Some of the identified thematic patterns included:

- Apparent anxieties and apprehensions of the organisational members (mainly employees). These 'tensions' were in part self-created (personal experience or knowledge about mergers from other sources), mutually created with colleagues (informal discussions, rumours or gossip) or resulted from interactions with superiors (informal/formal communication).
- In several of the cases observed, specific meanings were apparently not perceived as intended by the interaction partners – as a result misunderstandings evolved.

- At the outset of the integration, there were certain reservations against new colleagues and superiors (stemming in part from previous management communication); apparently there had been a gradual build-up of 'enemy' concepts immediately after the merger had been announced. As the integration progressed most employee reservations were mainly related to superiors.
- There was a strong negative undertone from the employees regarding their management's behaviour. In contrast, the managers viewed their own actions in a more positive light.
- There was no categorical rejection of change, but rather a dislike of how changes were communicated (changes were in some cases viewed as imposed, rated as senseless, pre-decided or even damaging to the organisation).

Selective coding also involved making theoretical inferences from the memos which were reviewed and sorted. The theoretical notes constituted part of the core category construction and theory-refinement process. Based on constant comparison and through theoretical reflection of the interview data, several tentative propositions evolved:

Figure 4.7 Preliminary Assertions from the Memos

Assertion (excerpts)
Communication is all-encompassing during mergers. It appears to be about the relationship between the members of an organisation. Merger communication is more than the dissemination or exchange of information.
All management actions and decisions in a merger appear to be communication processes that are perceived and evaluated by the employees (including inactiveness). Employee reactions and behaviour are also forms of communication which may not be perceived as such by the management.
It seems that communication is all about reciprocal interpretation and mutual understanding between the organisational members.
Merger communication involves the reciprocal exchange of subjective views. Thereby, people apparently create a shared domain of perceived understanding.
As the content or meaning contained in merger communication receives varying interpretations, the view shared by those involved is only approximate and it would seem that it is impossible to attain a status of complete understanding with the same view shared by all.
The extent of shared view congruence seems to depend on socio-cultural factors of the communicating subjects.
Communication is initiated in the minds of individuals, when people engage in communication the subjects will interpret the possible meaning communicated by the other person (and vice versa) from his (or her) own point of view. This situation is transient and appears to develop as people engage in further interaction.

<p>No level of subjective view creation between two subjects (management and employee) will be identical to the view creation process with another subject (management and another employee of the same organisation). In some cases there appear to be great discrepancies in this regard.</p>
<p>Degrees of joint view creation between different subjects will vary in their intensity and structure during a merger.</p>
<p>Having joint views is a state of mutual understanding that provides no statement about (is not equal to) agreement, acceptance or harmony.</p>
<p>Withholding relevant merger information from employees or lying can lead to irreparable image damage to the management's credibility. Honesty appears important when communicating with employees.</p>
<p>Communication in mergers often consists of language that has no 'objective' reference point. It appears that we frequently assume to talk about the same things while we may actually not be doing so.</p>
<p>'Discernible' forms of merger communication include verbal (language: spoken words or written texts) or non-verbal forms (intonations or voiced undertones [paralanguage], gestures, posture, mimic, body language [kinesics], dress and appearance)</p>
<p>A substantial part of communication (and possibly even a larger part than perceptible communication) is indiscernible and involves inferences, insinuations and the meaning people read into it. These thought processes appear to be based on people's personal assumptions, perceptions, experiences and commitments.</p>
<p>Interpersonal communication (personal meetings between two subjects) seems to lead to the strongest intensity of view-forming during mergers.</p>
<p>Individuals only have limited capacities to perceive others (and their ways of communicating) as they are bound to the domain of the actual or empirical. They are susceptible for misleading perceptions. In other words, interaction may lead to the intended meaning being reflected wrongly. Deception can distort these interpretation processes even further.</p>
<p>Certain actions or behaviour (e.g. of the management) may be over-interpreted in the post-merger phase. These unintentional and unconscious actions may be perceived as being communication, even though they may not have been intended as such.</p>
<p>Seemingly clear communicative actions by the management are in some cases perceived quite differently by different members of the organisation.</p>
<p>Most of the meaning contained in the communication during a merger is not 'transferred' (it resides in the mind of the person). This circumstance seems to result from human deficiencies (their physical apparatus, the inability to express all thoughts, expressing assumptions and feelings in the given time frame, cognitive capabilities, lack of self-introspection) and partly because of our intention not to communicate certain views or opinions (desire to keep certain things to oneself).</p>
<p>Creating views and opinions also occurs during mass communication events (e.g. employee conferences) although there appear to be no homogenous effects on the targeted groups. People will draw different conclusions from certain 'mass messages' even though they may appear to respond and behave in a similar manner. It seems that human thought cannot be (fully) synchronised on a mass basis.</p>

Temporal intervals between communicative events also appear to allow for views to be formed (time lag of joint view creation). Communication also appears to be enduring (affecting individuals' thoughts and behaviour even after any form of active communication has ceased). It is unclear whether active (momentary) communication produces higher levels of joint opinions than inactive (time lag) communication.
Some leaders apparently avoid thought processes in which they project themselves into someone else's position (those affected by the merger and its changes).
Some people use insinuations to express certain intentions or to enforce certain ideas. These insinuations are frequently misinterpreted and seem to impair the degree to which the meaning is conveyed, and consequently the forming of shared views. Consensus is not established but may have actually deteriorated (although this may not be perceived by the individuals).
Perceptions of jointly-created views are misleading and may not be congruent with the actual extent of the joint view attained. These divergences appear to be associated with factors like cognitive and sensual capabilities. People are essentially constrained in what they can perceive.
Some of the merger communication strategies identified involve the usage of symbols to represent certain intentions (used as a means of projecting messages). Some of these symbols are not always explained (left uncommented) and can lead to confusion with regard to their underlying meaning.

Source: Author, excerpts from the memos, translation

These notes only refer to a few or individual cases and therefore no generalised claims are made. Some of these assertions were also the basis for the development of a new approach to merger communication (see Chapter 6).

The memo notes were helpful for pinpointing existing gaps in the theoretical structure. All of the relevant gaps were followed-up with additional field research. The final interviews essentially served to clarify any remaining discrepancies.

When it came to building a core category, the memos and notes were reviewed so that a 'storyline' could be produced. This storyline included the implied conceptions, the main problems as well as striking issues. The storyline below represents one plausible way of abstracting the data; hence the abstractions made are purely subjective. One must also bear in mind that these beliefs were induced from the viewpoint of the respondents and not from that of the researcher.

In this case the main categories (**bold**) are integrated into the storyline. Other researchers may use alternate ways for explaining the phenomena (compare Strauss and Corbin, 1998).

Merger communication is all pervasive and inexorable. It comprises numerous interwoven elements which appear to affect an individual's thoughts in various ways ('**evolving sensual imprints**'). Individuals seem to create spheres of meaning. These meanings evolve and are embedded in people's minds. There are indications that

many of these processes are of subconscious nature. As people interact with one another, they influence others or are themselves influenced by the views of others (to varying extents). The research would suggest that often people's views differ substantially even though individuals may appear to act in a seemingly coherent manner.

As a result of these thought operations, certain behaviour is triggered. Communicative actions (verbal or non-verbal) are the result of a complex blending of different influences based on reciprocal interaction. Many of these highly sensitive processes cannot be discerned. Visible forms of verbal or non-verbal communication only represent a fraction of the outcome of these underlying processes.

Views and opinions which are created are influenced by specific attributes, varying situations and conditions. Specific merger contexts such as the perceived intensity of the merger and its specific consequences for the individual affect the way that each person acts, both as an individual and as the member of a group (**'influential exposure'**).

There are indications that the willingness to accept and take an active part in promoting such a fundamental change as a merger requires inherent acceptance from people affected by it. Employees, however, appear to have perceptions of the merger proceedings which differ greatly from those of their superiors (**'developing perception discrepancy'**). Consequently, there is disagreement on many points (much of which is not addressed openly). If not identified and attended to, misunderstandings of this kind can inhibit or impede integration efforts. If insufficient attention is paid to the people involved in the merger, it may be difficult to keep the developments under control.

Merger communication is thus dependent on the 'qualitative' aspects of creating views and opinions. These 'shared views' are in effect jointly created between the different actors. The level of understanding, however, is not comprehensible as it cannot be subject to observation.

The created 'underlying views' (**'evolving sensual imprints'**) are conditioned by factors related to specific situations and context (**'influential exposure'**). Essentially, the 'qualitative' aspects (i.e. attained level of congruence) related to the formation of 'shared views' are decisive for the level of understanding gained in a communicative event. As a result evolving misunderstandings (**'developing perception discrepancies'**) – apparently a key problem affecting mergers – may possibly be reduced.

Based on the preceding line of thought the following core (central) category was eventually formulated: **'quality of view formation'**. This core category was a new construction. As a more

abstract phrase it is considered to be more inclusive for explaining the phenomenon than previous categories. The category's primary constituencies are explained below:

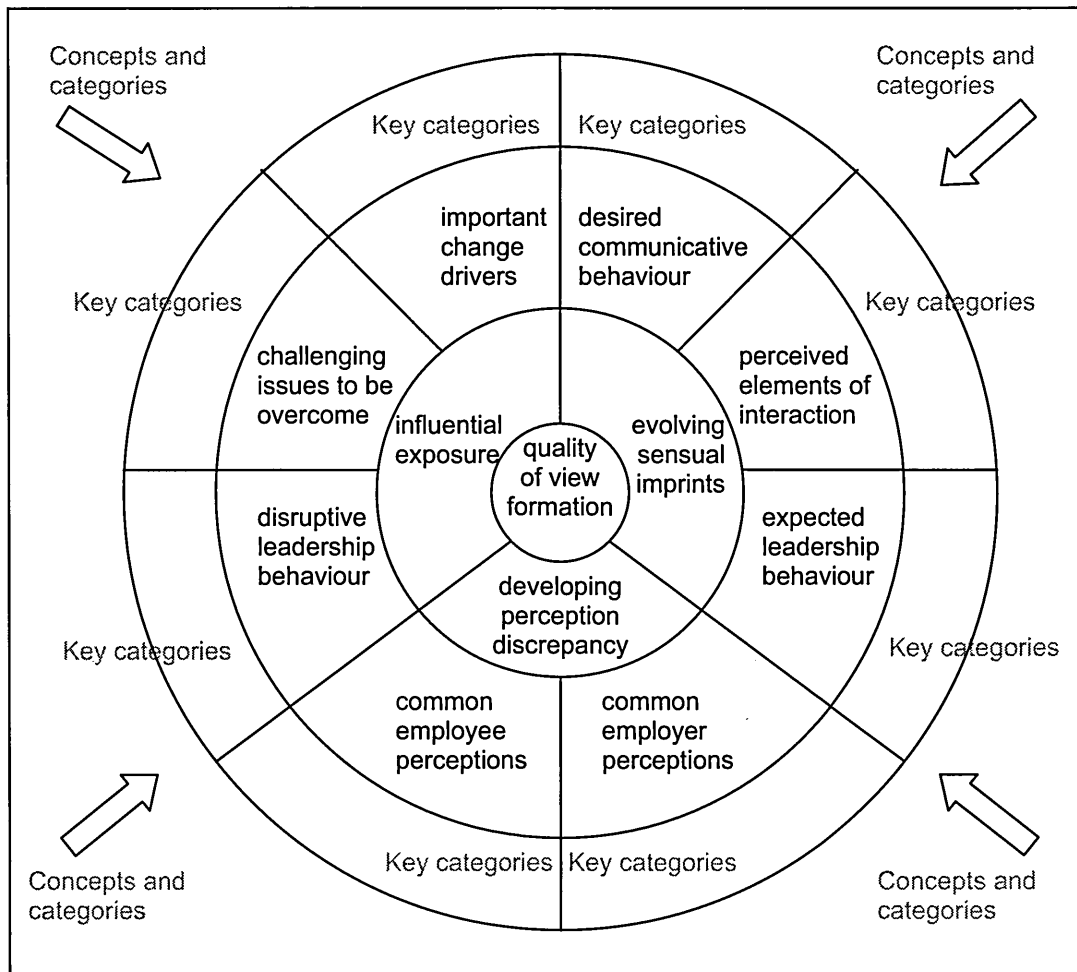
- 'Quality': this term signifies the ability to create a mutual realm of understanding in interpersonal relations. It denotes the extent of shared understanding attained by the interacting subjects.
- 'View formation': communication during mergers involves the creation of shared views between interacting subjects, i.e. the 'formation' of an indiscernible realm of thought from which certain parts can be shared with others. 'Views' thereby signify how people interpret the 'meaning' contained in certain phenomena. 'View formation' suggests that communication is a reciprocal act of social construction; a process of joint interaction in which views are constantly reproduced.

The core category is regarded as being sufficiently related to the preceding categories. Additionally, the core category provides enough scope for variations to be applied to other related settings. All lower level categories are directly or indirectly related to the core category.

As with all categories, the core category was also analysed in terms of its properties and dimensions. The interview data would indicate that 'view formation' is related to several properties previously identified: 'understanding', 'receptivity', 'closeness', 'form', 'scale', 'intensity', 'depth', 'level of truthfulness', 'engagement', 'dedication' or 'commitment'.

In the illustration below, the final structure of axial and selective coding is outlined. The core category is located at the centre and is encircled by the main categories which are again related to their ancillary subcategories.

Figure 4.8 Final Coding Structure



Source: Author

4.1.5 Generating Substantive Theory

On its own, the data cannot stand for any theory. To develop a substantive theory, data needs to be conceptually interpreted. These steps have been extensively illustrated in the preceding sections.

After further refinement, the core category was formalised into a substantive theory. Rooted in empirical situations of everyday life, substantive theories seek to explain phenomena (Douglas, 2003). The theory derived should thereby be relevant to the specific area (particular settings and people) studied and should be systematically based on the data analysed in this process.

It was refrained from making any formal theoretical statements ('formal theory'). Formal theories are usually applicable to more wide-ranging settings and also take more intervening influences and conditions into account (compare Strauss and Corbin, 1998).

Based on the preceding analysis, the following theory stands for the result of the grounded theory analysis:

Merger communication is about the creation of 'shared views'. These 'shared views' are created through reciprocal social interactions. Merger communication represents a mental realm of shared understanding (interpersonal thought processes); a product of social construction.

The reciprocal relations in a merger are influenced by the 'underlying views' of people, i.e. how they make sense of the ongoing events (evolving sensual imprints), by the situational contexts of the merger (influential exposure) and by how much people's personal perceptions differ from those managing the change (developing perception discrepancy).

Merger communication is of transient nature; 'underlying views' (inherent in a person) as well as 'shared views' (created with others) are assumed to be in a state of continuous reproduction – they cannot be delineated. Furthermore, it appears that views, regardless of whether they are personal or shared, cannot reach a fixed state.

Please note that the explanatory power of this theory is confined to the cases studied. No transferability claim to larger populations is made. As explained in Chapter 3 the precedent statements have no statistical significance. However, as 'theoretical saturation' was reached it is assumed that the theory has sufficient density and depth.

At this point the overview of the interview data analysis is brought to a close. In Chapter 6 these findings are reconciled with insights from existing literature to produce a new approach to merger communication.

4.2 Preliminary Evaluation

Although an attempt was made to abide by both Strauss' and Glaser's interpretations of grounded theory, there may be cases in which the influence of one concept or the other is more visible.

Generally speaking, the theory emergence process is oriented more strongly towards Glaser's predilections whilst the overall structure is more in alignment with Strauss's ideas. The process related to coding and constant comparison, for instance, still lacks some of the analytical structure that Strauss attaches to it (compare Strauss and Corbin, 1998). It tends to be more in accordance with Glaser's less rigidly structured analytic process (encouraging less formalised theory building).

The practical analyses relied on manual aids like movable presentation cards to categorise and sort concepts and categories (hands-on exercise of conceptual ordering). Substantial memo writing also accompanied the research activities. These memos contain descriptive as well as

analytic elements. The analytic quality (conceptual depth) of these memos varies greatly. As the research progressed, the evaluations made became more conceptually dense and structured. Some of the early memos made simple static references to narratives analysed (labelling) while more advanced memos tried to link previous concepts and categories, identified inconsistencies and linked certain themes to higher level categories. However, compared to memoing examples provided by Strauss (1987) there is still room for personal advancement. This circumstance is undoubtedly due to lack of experience.

Grounded theory is a useful approach for handling and condensing data. It is also an invaluable aid for linking 'structures' and 'processes'. Furthermore, grounded theory is methodical as it uses a number of analytic components which are interlinked.

As we have seen, grounded theory takes a systematic and structured approach to analysing the data. Unfortunately, this is also viewed as one of its weaknesses. Grounded theory is plagued by its compliance to strict methodological procedures. As a consequence, the researcher is often busied by procedural conventions and only finds limited time for real theory emergence. Letting theory emerge freely and sticking to formal methodological guidelines at the same time is a challenging task. The researcher constantly needs to monitor his (or her) activities while simultaneously letting the theory emerge freely (i.e. identify the concealed theory in the data). This effort can be a difficult and tiresome task at times, irrespective of whether one follows Glaser's or Strauss' methodological guidelines.

As the research progressed, certain regularities set in and the analysis gathered momentum in comparison with the early stages. This form of routine, however, may lead the researcher to pass over or miss certain hints. Important theoretical perspectives may not be recognised as the researcher is busy executing grounded theory's directives. The rigorous adherence to all grounded theory guidelines is thus actually viewed as a hindrance to free theory emergence.

Finally, grounded theory is difficult to audit. It can hardly be avoided that the theory-building process is partly influenced by the researcher's interpretation of the participants' situations and experiences. Third parties may interpret the data differently and may thus end up with different findings.

Despite the stated critique, grounded theory was found to be useful for enquiring into post-merger settings. Most subjects showed eagerness to report about their experiences. There were no evident signs of taciturnity. The semi-structured interviews ensured for interrogative depth as the respondents generally had more room to report about relevant issues than in a rigid questioning scheme.

5 Theoretical Perspectives

"All change is not growth, as all movement is not forward" (Ellen Glasgow)

In this chapter, a critical review of the present state of knowledge in the area of organisational integration and merger-related communication is presented. In order to identify possible gaps in the literature, relevant theoretical perspectives from three related bodies of literature have been synthesised:

1. the integration of organisations and the advocated communication practice, the integration of cultures and related interaction,
2. as well as different views on communication.

Where appropriate relevant findings made in the interviews are briefly contrasted with the findings made in the existing literature. This is done in order to distinguish similarities or differences. For reasons of differentiation these statements are highlighted in italics.

Focus in this chapter was given to 'technical literature' which for Strauss and Corbin (1998) includes research studies, management texts, philosophical or theoretical writings.

As it is assumed that internal communication exhibits itself in multifaceted ways this phenomenon is examined from different theoretical angles. The texts reviewed for this study are interdisciplinary; they comprise fields such as psychology, sociology, humanities, human geography and economics. Most authors considered have North American, European as well as Australasian backgrounds.

As explained in the previous chapters, this study seeks to explore people's perceptions in merger contexts. Most of the literature examined has thus focussed on social relationships between humans and the way that they make sense of the world. Consequently, the following sections concentrate mainly on aspects relating to 'soft' factors. Only minor emphasis is given to structural change aspects ('hard' factors).

The readers are reminded that there are two independent processes of data analysis. In divergence from 'normal' grounded theory practice, the literature review was decoupled from the grounded theory analysis. The literature was subjected to a 'critical evaluation' while the interview data was analysed with grounded theory (compare Chapter 3).

5.1 Integrating Organisations

"Mergers (like all other key business transactions) reflect the decisions of fallible human beings" (Harding and Rovit, 2004: 1)

There are numerous reasons for consolidating organisations: they include the desire for growth, diversification, gaining new market presence or yielding to advantages from economies of scale

(Schraeder and Self, 2003). In many cases organisations strive for combination 'synergies'; the expectation that the merger performance of a combined organisation will surpass or go beyond the performance levels compared with a situation in which the organisations remain independent of each other (Sirower, 1999).

Ongoing globalisation has led to an increase of merger activities on an international scale. Current figures indicate that the frequency, size and number of cross-border mergers have significantly increased over the last years (van Dick et al., 2004).

Mergers remain popular for organisational growth but approximately every second merger turns out to be unsuccessful for the acquiring organisation (Pritchett et al., 1997). Sirower (1999) stipulates that some figures would suggest that even up to 65 percent of all major acquisitions fail to meet their expected outcomes. He warns that many organisations are finding themselves caught in the 'synergy trap'.

In the literature 'merger failure' has numerous definitions and meanings. Frequently, merger failure is used to refer to poor financial performance levels (Jansen and Körner, 2000; Marks and Mirvis, 1998), the inability to reach pre-defined management perceptions of success such as company size, post-acquisition objectives, market share or management retention levels (Kitching, 1967), meek financial benefit (Whalen, 2002), lower than expected realisation of synergies (Sirower, 1999), high levels of dysfunctional behaviour of the employees (Buono, 2003), loss of shareholder value (Auster and Sirower, 2002; Chatterjee et al., 2002), increased labour turnover (Buono and Bowditch, 1989) or factors such as decreased employee productivity levels (Bijlsma-Frankema, 2001; Marks and Mirvis, 1986). There are more definitions for the term in the existing theory. In contrast to 'merger failure' which stands for negative developments, the term 'merger success' will in this context, unless otherwise specified, denote the accomplishment of specific goals that were expected to be realised as a result of a combination (e.g. reaching milestones or planned organisational advancement).

5.1.1 Human Aspects

Increasingly, the literature suggests that a focus on human aspects represents a key determinant for attaining merger success or failure (Buono and Bowditch, 1989; Cartwright and Cooper, 1990, 1992; Galpin and Herndon, 2000; Grube and Töpfer, 2002; Haspeslagh and Jemison, 1991; Ivancevich et al., 1987; Marks and Mirvis, 1986, 1997; Pritchett et al., 1997; Schweiger et al., 1987). Researchers like Cartwright and Cooper (1992) have emphasised that the people in the organisation are critical for the success of a merger.

The influence of human factors on achieving merger success has received more consideration in recent years, Buono and Bowditch (1989) remark. Successful handling of culture and management issues as well as thoughtful co-ordination of integration processes have been recognised as vital elements for attaining positive merger outcomes. Interestingly, many

difficulties encountered during a merger are assumed to be problems that organisations have created themselves:

"most of the problems that adversely affect the performance of a merged firm are suggested to be internally generated by the acquirers and by dynamics in the new entity. The reality may be that many merger and acquisition-related difficulties are simply self-inflicted." (Buono and Bowditch, 1989: 10)

An early focus on human integration actually eased the subsequent structural integration activities a case based research study by Birkinshaw et al. (2000) showed.

Exploring and understanding human behaviour, however, is a complicated task. Humans are distinctive in the way that they think and behave. Not all of their actions are predictable or characterised by rationality some popular management texts have warned (compare Peters and Waterman, 1982). Consequently, Stahl and Sitkin (2002) add that integration measures involve close consideration of psychological and sociological aspects.

Based on the findings from an explorative study, Kiefer (2002) asserts that mergers are highly emotional events for the people involved. Covin et al. (1997) note in their research study that mergers tend to differ from other organisational change processes due to their "rate of change, scale of change, and the critical mass of the unknown they represent" (22). Bijlsma-Frankema (2001) adds that mergers are characterised by the unification of different cultures, a situation not usually found in 'conventional' change situations.

Merger transition processes take considerable time. Many integration processes have taken five or even up to seven years before they were considered completed (Cornett-DeVito and Friedman, 1995; Covin et al., 1997). Mergers are regarded as contextually driven events that evolve over a long time; they require intense commitment by the new management (Cote et al., 1999).

In his case study of a merger, Bastien (1987) found that most employees experienced merger-related uncertainties at one point or another as integration progressed. Another study by Schweiger et al. (1987) found that fears and uncertainties are a common phenomenon experienced by employees after a merger.

Employees who are affected by mergers frequently suffer from the so-called 'merger syndrome', as Marks and Mirvis (1986) point out. The merger syndrome describes a mental state in which people experience anxiety, disbelief and uncertainty. They add that these symptoms are a natural reaction to major change. During this time people essentially feel that they lose control as their regular routines and accustomed habits are suddenly disrupted (compare Bastien, 1987; Ivancevich et al., 1987).

As a transition progresses certain frictions evolving amongst the employees can eventually escalate to produce cultural clashes, case study research by Sales and Mirvis (1984) revealed. While inner tensions escalate, people become more defensive and apprehensive (Marks and Mirvis, 1986).

Based on their extensive merger consultancy experiences, Galpin and Herndon (2000) describe scenarios in which people's thinking is quickly dominated by personal worries about the future. As a consequence it is assumed that work is neglected and productivity and performance levels drop.

Usually issues of job security dominate employees' thoughts during mergers, van Dick et al. (2004) discovered in their case study of a hospital merger. Rumours within an organisation will quickly concentrate around job cuts, compensation changes or possible reassignments (compare Bryson, 2003; Marks and Mirvis, 1997). A survey-based study suggests that up to three out of four mergers involve downsizing (Beatty, 1999). Hence, it is not surprising that employees frequently equate the term 'synergy' with personal job loss (Galpin and Herndon, 2000).

In a synthesis of principal merger and acquisition texts, Appelbaum et al. (2000a, 2000b) list a number of other common issues that people are faced with after a transition: fear of cutbacks in regard to competency and power, threat of relocation of entire work processes, unhappiness about the dismissal of fellow workers, uncertainty about new responsibilities and developments to come, fear of organisational demise, perceived lack of job alternatives, doubt of being able to fulfil financial commitments in case of job loss, insecurity in regard to new superiors and team members as well as the fear of losing personal identity. Additionally, some employees may also experience feelings of anger, disorientation and frustration (Buono, 2003; Pritchett et al., 1997).

In general, merger announcements frequently produce negative associations in the minds of the people affected, Schraeder and Self (2003) note in their synthesis of dominant merger and acquisitions literature. Announcements of an imminent merger can invoke grief, shock or in some cases even extreme feelings of loss, e.g. comparable to feelings experienced by the death of a close person (compare similar findings by Schweiger et al., 1987).

Based on their empirical study, Panchal and Cartwright (2001) equate the stress levels during mergers to those experienced when faced with personal bankruptcy. In many cases managers may not even realise that their employees are experiencing stress as these symptoms are usually not exhibited openly (Cartwright and Cooper, 1993b):

"The pressure to appear outwardly 'merger-fit' and willing and able to change may therefore lead to long-term dysfunctional stress" (344)

Fear seems to be one of the strongest emotions guiding people's thoughts during a merger. Based on their merger integration related consulting experiences, Grube and Töpfer (2002) differentiate between three typical kinds of employee fears that commonly surface:

1. 'Fear of conflicts': describes the uneasiness about unknown and unaccustomed forms of interaction, possible disputes and conflicts.
2. 'Fear of failing': discomfort and nervousness about one's own lack of ability but also including the incapacity of others one will be subjected to.
3. 'Fear of loss': apprehension and worry that ownership of certain advantages and benefits is lost as well as the concern that career advancement opportunities are blocked.

(Source: adapted from Grube and Töpfer, 2002: 175)

Negative themes and impressions clearly dominated the participants' (employees) narratives. The participants reported that they had experienced fears or uncertainties of varying levels after the merger had been announced. A number of these respondents also indicated that feelings of distress had accompanied them for longer periods of time. Some participants expressed that they had been worried about losing their jobs while others stated that it was the fear of the unknown (of what was to come). Other participants expressed that they had felt neglected and helpless; personal concerns were not 'heard' by their superiors.

"I admit that I had seriously begun to look for job alternatives elsewhere, I even wrote a couple of applications. It was a really frightening period. At that time I was convinced that I was going to be laid-off, especially after all the others [employees from the parallel department in another city] had already been forced to leave." (employee, translation, bracket added)

While senior executives appeared more reluctant to express openly what they had felt, a few senior managers indicated that the time after the merger had been a strenuous time for them; which had not left them emotionally cold. Some senior managers also openly admitted that they had experienced uncertainty about their personal future within the new organisation. One senior manager described it as a time characterised by 'rivalry' and 'distrust' and noted that this was "an extremely hostile and threatening situation which I do not want to face again" (translation).

In the course of a merger, previous decisions are often abruptly modified or overturned altogether. Often people perceive no reliable constancy as all new situations appear transient (Marks and Mirvis, 1986). Cartwright and Cooper (1993b) conclude that employees' fears usually centre on issues related to personal 'survival' rather than on the planned changes as such.

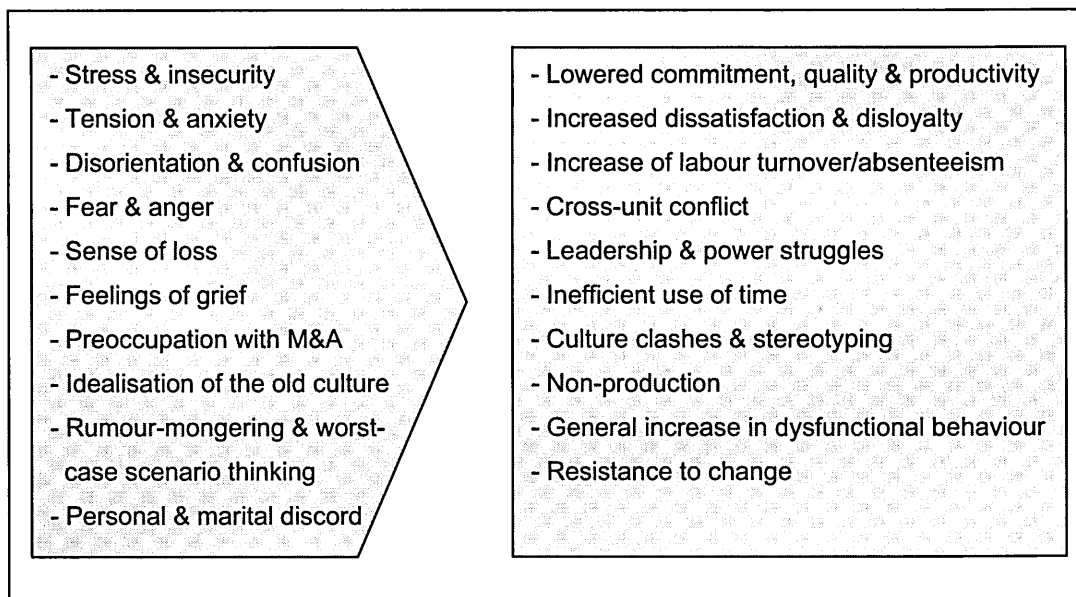
After a merger past achievements suddenly appear forgotten or worthless. The affected employees now have to establish their value to the organisation all over again (Marks and Mirvis, 1986).

"All previous plans, decisions and activities are now under a big question mark. The investment into the development of new products, succession plans and career promises are suddenly put on ice." (Berner 2001, quoted and translated from Berner 2002: 13)

Line managers frequently reflected about their personal standing within the new organisation (relating to issues like power, position, income or advancement opportunities). Some of these managers also expressed open resentment that they were not promoted. Based on their own self-assessment these managers complained that they should have had more responsibility in the overall integration process. Others expressed that they had been left out purposefully and that initial career promises by superiors had not been kept.

The following figure illustrates some common employee distress and resultant 'dysfunctions' that Buono (2003) identified in the post-merger phase. His assertions are based on a reflection of past research and consultancy experience:

Figure 5.1 Dysfunctions of the Merger and Acquisition Process



Source: adapted from Buono, 2003: 92

According to Buono, people's behaviour is greatly influenced by the human dynamics resulting from personal beliefs, inter-personal, group or inter-group relations. Buono cautions that depending on their personal views and aims, members of the organisation will eagerly use their informal powers to progress or to impede the progression of certain targeted alterations set by

the management. Resultant employee behaviour is thus an important 'determinant' in regard to the success or failure of a merger.

From the viewpoint of the organisation's leaders, emotional experiences of the employees which result in 'dysfunctional' behaviour are often regarded as harmful and undesirable – a managerial perspective. Kiefer (2002), however, stipulates that emotional reactions to changes are innate and normal human reactions. Emotions "reflect the interpretation of the ongoing events" (42); they are used to invest the changes experienced with meaning. In psychological terms "emotions are not dysfunctional, but help individuals adapt to difficult situations. Emotions drive behaviour and constitute the construction of the individual and social meaning of the change process" (ibid: 58). Managers should not only be aware of this but should also address these emotional disorders, Kiefer adds.

Not all employees experience the negative implications described in the literature, some employees perceive mergers as positive developments which help them and the organisation to move forward (Kiefer, 2002). Employees of organisations who perceive that they are taken over by more successful organisations in terms of their performance or more competent management may perceive a transition to be a form of liberation from old weaknesses and problems, studies showed (Stahl and Sitkin, 2002; 2004).

This view was also aired by a few respondents who saw the merger as a chance to advance their careers or who felt that the organisation would benefit from 'fresh blood'. Most respondents interviewed for this study, however, clearly expressed negative connotations in regard to the merger that they had experienced. The author wishes to stress that none of the respondents were sampled because of their 'negative merger perceptions'.

Overall, the reactions observed in merger scenarios underline how emotionally disturbing these situations can be to those affected. In order to shed more light on people's behaviour in the wake of a merger it thus necessary to examine these issues of emotional distress in more detail.

5.1.2 Evolving Tensions and Resistance

A number of researchers have probed into people's feelings and emotions after a merger in more detail. Stahl and Sitkin (2004), for instance, found that post-merger 'crisis' can commonly be observed at three levels:

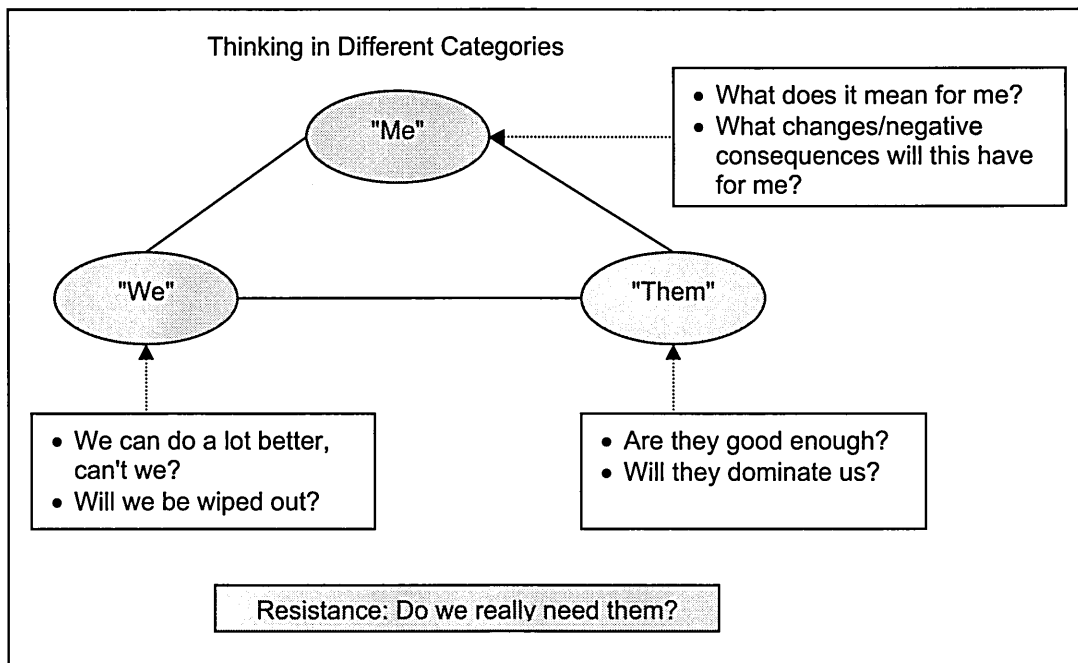
- 'Personal level': employees experience a form of 'shock'; personal performance decreases, there is a resistance to change, worries of redundancy or reallocation come up, personal motivation, commitment and productivity diminishes, rumours dominate people's communication, and feelings of anxiety, anger and betrayal evolve, a phenomenon especially common in the workforce of the 'subordinate' organisation.

- 'Organisational level': leaders frequently adopt a mode of crisis management; communication practice dwindles (quantity) and deteriorates (quality). Often there is a centralisation of decision-making processes (bundling of power).
- 'Cultural level': different groups within the organisations engage in culture clashes. Group biases can evolve. Stereotype thinking leads to hostility and distrust between the members of the different organisations.

While this categorisation provides useful indications at what levels certain emotional states arise, it still leaves questions in regard to the affected subjects' thoughts.

Grube and Töpfer (2002) assert that people will often make distinctions about who they are and where they belong. Immediately after a merger people will thus start to think in three categories: 'me', 'we' and 'them' (compare similar research findings by Napier et al., 1989). This group based thinking will in turn nurture resistive behaviour as people start to build-up emotional barriers against their new colleagues. The figure below illustrates this kind of 'typical' category thinking:

Figure 5.2 Category Thinking



Source: Grube and Töpfer, 2002: 176, translation

Grube and Töpfer's model which is grounded on case study research is a useful indicator on how people differentiate between themselves and others – it also provides first indications on how resistance evolves.

Resistance is common during mergers but one should be aware that it can have varying roots, Berner asserts (2004). Based on his practical experiences as merger consultant and psychologist Berner compiled a number of motives for employees to resist changes:

- 'Fear': perception of the individual that change bears imminent threat.
- 'Reactance!': common social-psychological reaction evolving when room for personal self-determination is perceived as constrained. It is a mixture of unwillingness, defiance and the stoic striving to regain or restore inhibited freedom. These reactions do not necessarily involve fear. People have a tendency to resist being 'forced' into prearranged direction. Additionally, people may even acknowledge that the change is necessary and in their own personal interest (e. g. changing smoking habits) but will still not subscribe to it.
- 'Personal convictions': people develop opinions and value systems about certain issues and developments. As a result initiators of change are allocated to a specific political, social or idealistic faction (e.g. 'innovators' versus 'traditionalists') and the perception will be that these initiators are seeking to satisfy the interests and views of 'their' groups. Members of opposing factions will therefore face resistance because of their perceived association with a specific faction, regardless of whether their change efforts are beneficial or not.
- 'Real self-interests': individuals may have personal interests that are incompatible with the declared transition goals of the organisation.
- 'Tactics': some employees may intentionally act in a resisting way. These calculated actions could, for instance, result from an intention to take personal revenge, to combat a rival, achieve personal advancement, strengthen alliances or in order to appear favourable to superiors and/or colleagues.

(Source: adapted from Berner, 2004)

While these assertions still lack substantiation by further research, there are indications that the reasons for resistance during mergers are multifaceted.

Many interview participants reported that they had taken varying emotional positions in regard to the merger and to the degree that they had supported it. Some participants admitted that they had taken active measures to delay or even foil certain integration measures. These respondents stated that they were well aware that their co-operation was essential for implementing certain changes.

According to mergers and acquisition literature, resistance is fairly widespread during mergers and can show varying intensities (Appelbaum et al., 2000a). The following classification distinguishes between three levels of resistance commonly observed in a merger:

- 'First level resistance': is the weakest form of resistance in which employees oppose certain changes as they do not perceive the change benefit.
- 'Second level resistance': is common during mergers and is more deeply embedded in employee thought. It describes psychological processes that lead to disbelief, disrespect, culture frictions or loss anxieties. Other typical employee reactions include questioning of planned measures, feelings of helplessness and incapacity as well as active resistance to implemented change measures.
- 'Third level resistance': signifies the strongest level in which deep-rooted feelings of resentment are brought against the organisations and its leaders. Employees perceive the management as the 'enemy' and engage in active defiance of any change initiated by it.

(Source: adapted from Appelbaum et al. 2000a, based on Maurer, 1996)

Resistance levels 'two' and 'three' demand concern and cautious reaction by the management, Appelbaum et al. warn.

Some studies have looked at how these varying intensities affect people's behaviour. Napier et al. (1989), for instance, found that employees' reactions and the degree of merger intensity are related. More fundamental changes resulted in more fear, anxiety, doubts, lowered productivity and decreased satisfaction as well as a rise in absenteeism. In contrast, employees who were only subjected to minimal change due to a lower degree of merger intensity were less inclined to show these signs (compare Datta and Grant, 1990).

Experienced intensities of uncertainty can also vary throughout the 'new' organisation. A study by Cartwright and Cooper (1993b), for instance, revealed that the highest merger-related stress levels were commonly experienced by middle managers.

According to Buono and Bowditch (1989), employees of the acquired organisation frequently experience higher uncertainty levels than their 'new' colleagues from the acquiring organisations. They found that employees at lower hierarchy levels tend to show less identification with the organisation and are more frequently plagued by worries about the future than their higher ranked colleagues. People on lower levels of the hierarchy also showed greater readiness to leave the organisation after a merger. Resistance activities like boycott and sabotage were also frequently observed within these ranks.

Other authors have noted that, depending on whether a merger was preceded by a hostile takeover of another organisation (openly or secretly) or by friendly negotiations, employee receptivity will differ considerably (Stahl and Sitkin, 2002; 2004; Schraeder and Self, 2003; Hunt, 1987). The studies by Stahl and Sitkin (2002, 2004) indicate that friendly takeovers are often more likely to generate constructive climates of collaboration, trust and goodwill.

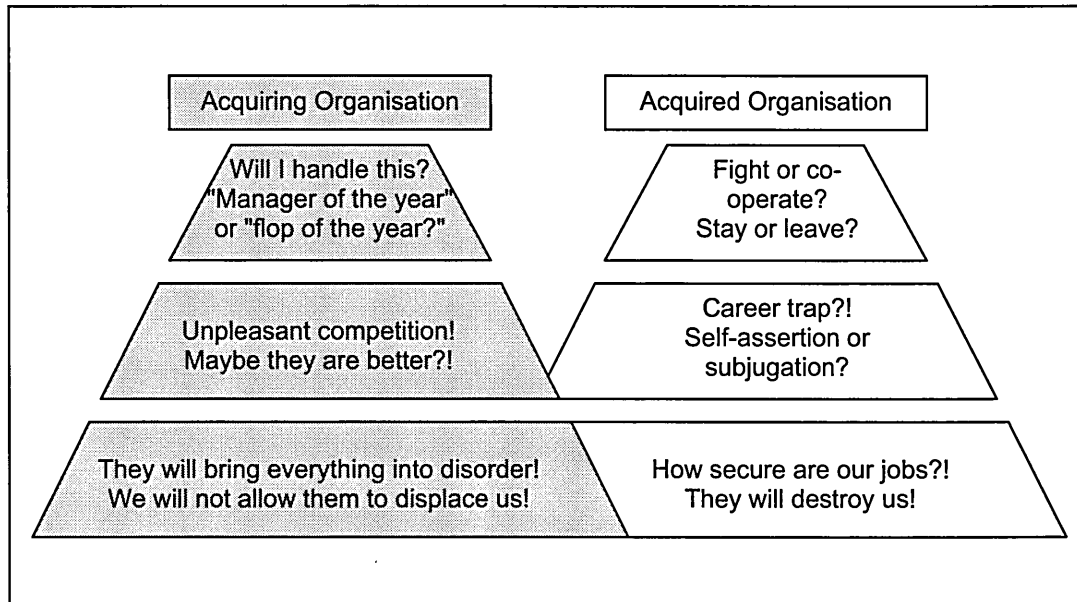
Organisations that have engaged in positive business dealings prior to the merger may therefore find it easier to overcome integration difficulties. These mutual experiences before the merger may help to diminish preconceptions and prejudices. Unwanted takeovers on the other hand are frequently rejected by the acquired organisation's employees, especially if both companies engaged in media battles prior to the takeover in which the parties attacked each others reputation and trustworthiness. Furthermore, employees of the acquired organisation who have been involved in a hostile takeover are frequently subjected to stricter controls. In addition, their former identities are frequently suppressed. Consequently, hostile takeovers will in many cases result in a defence of old values, resistance and conflict on the side of the acquired employees.

Founded on his consultancy experiences, Berner (2002) differentiated further between different perspectives of the organisational members:

- 'The top management of the acquirer': it has initiated the change and is therefore obliged to achieve success. It needs to justify and prove that the promised synergies, organisational value and performance increases really occur as a result of the merger.
- 'The top management of the acquiree': this scenario depends upon whether the takeover was hostile or friendly. In the former case, the dismissal of the top management is usually inevitable. In the latter case, the top management finds itself in a similar situation to that of the top management of the acquirer as it needs to satisfy its shareholders and therefore has to do everything in its power to achieve a positive merger outcome.
- 'The middle management' as well as the 'lower level employees' of the acquired organisation: they will have to accept new rules imposed on them by the acquiring organisation. If they decide to stay and are retained, they will need to take the initiative by showing willingness to co-operate with the acquirer's organising staff. These employees will need to approach their new colleagues actively.
- 'The middle management' as well as the 'lower level employees' of the acquiring organisation stand in contrast to these groups: both groups are not faced with an imminent 'loss'. In most cases, members of these groups will keep their jobs and their work environments will be subject to only minimal changes. Their reporting structures, superiors, former colleagues, informal alliances as well as their communication channels will initially remain unchanged. However, these groups will often line up to defend their positions and belongings against the new colleagues.

The following figure illustrates the different positions on the acquirer and acquiree sides:

Figure 5.3 Typical Fears on Different Hierarchy Levels during a Merger



Source: Berner, 2002: 14, translation

Berner concludes that the middle and lower level members of the acquirer actually represent one of the biggest threats to integration. Although the employees of the acquiring organisation initially feel like 'victors', they will quickly perceive that their new colleagues are potential competitors and may therefore use any chance to hinder or foil their integration attempts. Therefore, resistance is not necessarily innate at all levels of the new organisation.

Some of Berner's assumptions may be partly reflected in the empirical research by Panchal and Cartwright (2001) who found that employees from the more dominant organisation actually reported higher stress levels than their colleagues based in the subordinate organisation.

Somewhat different findings were made by an empirical study by Gerds and Schewe (2004). They discovered that senior managers often fear to lose their own positions and status after a merger. This group, the study found, usually shows more resistance and unwillingness to integrate than the middle managers. Gerds and Schewe identified that senior executives were frequently engaged in relentless power fights with rivals from the other organisation. Consequently, most activities and thoughts centred on personal issues rather than those of the employees. Many other organisational issues are neglected during this time (e.g. the 'dissemination' of important information to other internal stakeholders dwindled). The authors conclude that internal rivalry can negatively affect productivity, innovative capabilities as well as organisational responsiveness. Gerds and Schewe indicate that many senior managers also exhibited a high tendency to leave the organisation within a three year period after a merger as a result of conflicts with their peers.

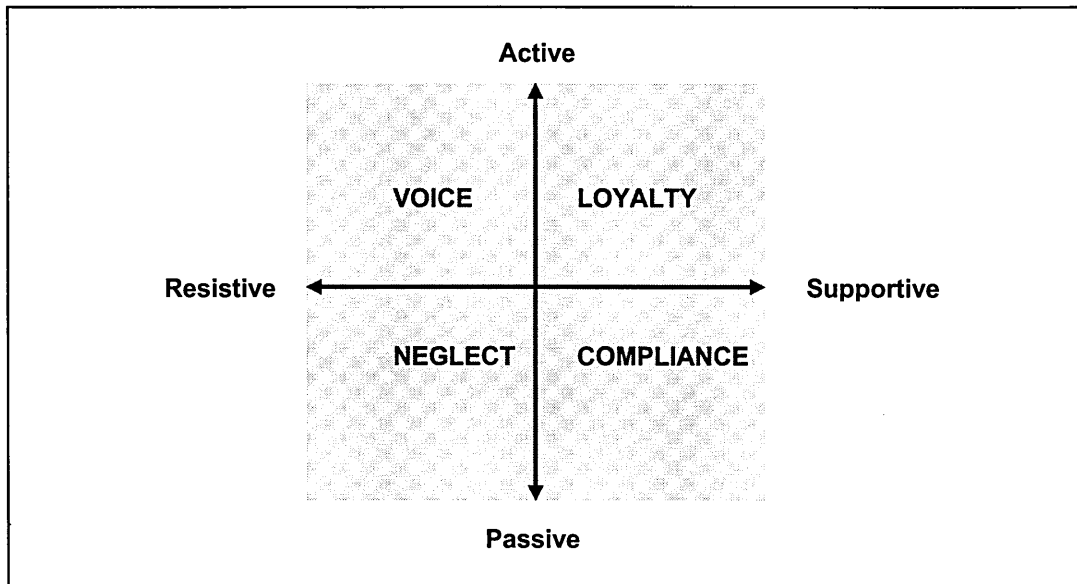
Some interview participants made inferences about power fights. It was expressed that many superiors were apparently engaged in 'subtle' but 'fierce battles' in order to maintain and gain power in the new organisation.

More distinctive approaches to employee behaviour during mergers have also been explored by Bourantas and Nicandrou (1998). Based on an analytic assessment they assert that employees will behave and react differently depending on where and at what level they are positioned and also on what is at stake for them. In their proposed model, Bourantas and Nicandrou distinguish between four principal types of employee behaviour commonly observed after an acquisition.

- 'Loyalty': employees actively engage in supporting the organisation. Loyalty contributes to achieving the acquisition aims of the organisation. The effort and performance of the employees is above normal levels. The motives for loyal behaviour include expected status improvement, career advancement, personal development, organisational progress or an increased willingness to take more responsibility.
- 'Compliance': employees react passively (indifferent) to the transition, there is no change in their work behaviour. These employees accept the new situation but show no active support (frequently encountered at lower hierarchy levels). The employees perceive no imminent change in their personal situation and fulfil work expectations as before.
- 'Voice': employees oppose the transition, they express concerns and disagreement. Negative feelings are articulated and there is strong disagreement with the new situation. The employees protest and attempt to implement change in accordance with their own objectives.
- 'Neglect': employees oppose the transition, reduce their work effort and concentrate on personal interests. With this mindset, employees reject change and act in a passive manner. As a result work efforts are reduced; absenteeism increases and working time and resources are dedicated to private concerns.

The different types of employee behaviour are illustrated in the model below which contrasts supportive/resisting behaviour with employee activity/passivity.

Figure 5.4 Loyalty, Compliance, Voice and Neglect Model



Source: Bourantas and Nicandrou, 1998: 77

From an organisational standpoint it appears important to identify people's evolving mindsets as early as possible otherwise there is a risk of undesired behaviour evolving.

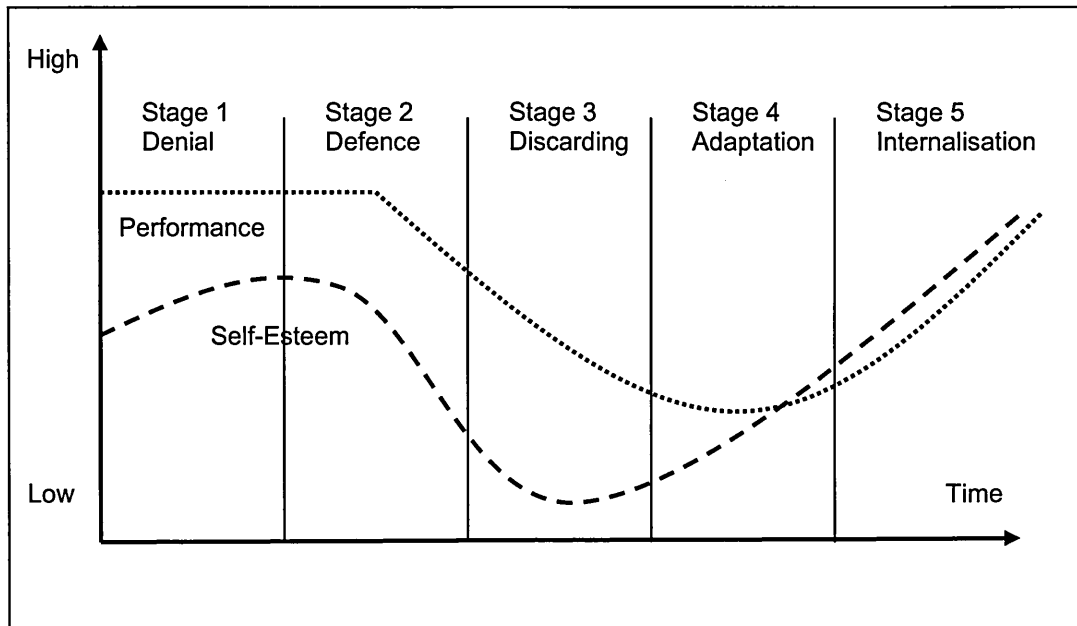
Some of the current management literature (Stahl and Sitkin, 2002; 2004) suggests that employees who perceive an acquisition to bring benefits – whether in form of career advancement, job security, job satisfaction or financial rewards – will show a higher commitment towards achieving integration. It is argued that if addressed properly, the threat of potential conflict and resistance can be mitigated.

Another interesting model of people's reactions to change is illustrated in the 'coping cycle' by Carnall (1990). The model, which combines theoretical and practical experience, illustrates that the employees affected by change typically experience different 'mindsets' regarding their eagerness towards supporting a fundamental change process.

In the illustration, self-esteem as well as performance levels are depicted on the timeline of a typical change process. Although the model was not specifically developed for mergers and acquisitions it is likely that it may also find applicability in these contexts.

Initially employees will deny change or any effects on their personal situations. As the realisation sets in that change is actually taking place, people will question their ability to cope with change, their self-esteem drops and they retreat; as a result performance levels (which are assumed to be related) decrease shortly afterwards. As change is underway and people adapt to the changes imposed, they start to cope and realise that transition is achievable. In turn their self-esteem as well as their performance levels will also rise again.

Figure 5.5 The Coping Cycle



Source: Carnall, 1990: 142

In the coping cycle model by Carnall, people respond to change in five stages:

1. 'Denial': employees deny that change will occur or is necessary.
2. 'Defence': as change is perceived to be inevitable, people develop feelings of frustration and hopelessness. People become defensive and distrustful.
3. 'Discarding': after a slump in people's self-esteem a gradual acceptance and necessity for change evolves.
4. 'Adaptation': work processes in the organisation start to show their effectiveness and efficacy.
5. 'Internalisation': new behaviour is embedded and regarded as being normal.

Some participants indicated that their perception and emotional state varied as the merger progressed. While a number of participants indicated that their sense of worth had eventually regained its former level before the merger, there were also contradictory reports in which negative self-confidence had actually manifested itself.

Overall, the previous findings in the existing literature illustrate that many employees experience tensions quite differently after a combination or change event. Some models also suggest that the perceptions of the organisational members are not enduring but that they evolve as a transition proceeds.

Based on the theoretical findings it would thus be too simplistic to differentiate solely between the members of the acquiring and the acquired organisations. We must realise that organisations are heterogeneous structures comprising different groups with varying interests.

The models presented, however, also exhibit some weaknesses; they refrain from describing aggregated (general) group patterns. They still omit individual behaviour and provide no in-depth explanation as to why individuals behave the way they do.

While a number of candidates showed similar (visible) behaviour patterns after the merger, the stated reasons for this exhibited behaviour evidently had varying reasons. One respondent, for instance, mentioned that he had intentionally reduced his input to a minimum level in order to prolong the introduction of a new joint service line. He would excuse the delays by referring to the inadequacy of other departments when supplying relevant information. He justified his actions by stating that he had felt unjustly treated by his superior. Another respondent openly admitted that he had intentionally disregarded certain instructions. This defiance was excused with non-agreement to imposed change measures.

A few managers, on the other hand, complained that employees often misunderstood messages, lacked self-responsibility, showed unwillingness to facilitate change or acted too self-centred. Many employees would exaggerate about impending changes, showing a "tendency to moan about every little change, even if it was to their own benefit" (translation) as one executive complained.

5.1.3 Labour Turnover

The labour turnover of key people represents a major threat to newly formed organisations, Haspeslagh and Jemison (1991) assert (compare similar findings from the study by Krug and Hegarty, 2001). In a merger situation, employees yearn to gain acceptance and respect – they strive to maintain or improve their former position and status. When people feel that they are not being treated as expected, this may possibly lead them to look for job alternatives.

Increased labour turnover is often related to issues of lost autonomy and power. It is not uncommon that managers lose some or even all of their former functions, responsibilities and rights. New work processes are implemented, new controls and monitoring systems are imposed. In some cases work routines previously in the manager's autonomous responsibility, are suddenly subject to additional approval processes by other superiors. Faced with this new situation, people often react with resistance, rejection and frustration (Stahl and Sitkin, 2002; 2004). Hayes and Hoag's (1974) study, for instance, found that executives who lost autonomy and power after an acquisition showed more readiness to leave the organisation.

Schraeder and Self (2003) who conducted a synthesis of dominant mergers and acquisitions literature suggest that power is regarded as an integral part of a person's status; losses of power often cause dissatisfaction and increase people's inclination to leave.

Marks and Mirvis (1998) warn that close attention and care should be given to employees' needs and expectations; otherwise there is the risk that key talent will leave the organisation (compare Bastien, 1987). Unsurprisingly, high performers usually have less difficulty in finding attractive positions elsewhere, as Anderson (1999) notes in her study. To counter increased labour turnover, Gerds and Schewe (2004) advise providing attractive benefits to key performers (compare Anderson, 1999).

One respondent who had a strong relationship to a key client of his organisation admitted openly that he was planning to leave the organisation as soon as he had found an alternative. The employee justified his discontent with the unfavourable developments after the merger.

As indicated earlier mergers often involve redundancies. In cases where mergers involve dismissals, special consideration should be given to the way the departing employees are treated, research by Brockner (1988) showed. Therefore, employee lay-offs should be conducted mindfully as this can have profound effects on the perception of the remaining personnel ('survivors'). Kay and Shelton (2000), who conducted survey research, advise making generous severance payments to the departing employees as this usually has as a positive impact on the morale of the remaining workforce.

Several employees complained that lay-offs and other resultant changes were unjustified, unfair and not carried out properly. Other participants stated that lay-offs or other negative developments were frequently subdued or played down by the management. As one employee commented "Of course we knew what was going on. ... They [the management] really think that we are stupid and that we don't speak to one another" (employee, translation, bracket added).

A number of participants (employees) renounced the way that they and their colleagues were treated in the wake of the merger. While it was perceived that less significantly rated employees were encouraged to leave, a few highly rated employees were 'lured' to stay; "reaping financial benefits and promotions" (employee, translation).

Several employees stated that they would leave their organisation at the first opportunity. One participant, for instance, expressed that his will to leave was primarily tied to the way that redundancies had been carried out. The disgruntled participant expressed that he perceived the lay-offs in his organisation as cold, arbitrary and unjustified; this 'imprudent' management behaviour had essentially destroyed the employee's psychological bond (contract) to the organisation.

"I disagree with how things were done here; especially the way the lay-offs were carried out is a shame. It still happens occasionally, you come to office one morning and your former colleague has simply disappeared. 'Work contract dissolved by mutual consent' is what they tell you, yeah believe that! They [the management] didn't learn a thing out of all of this. You don't treat people like that, it's just not right." (employee, translation, bracket added)

There are indications that people have a 'psychological contract' with their organisation which affects people's behaviour. A psychological contract refers to an unspoken and tacit agreement, a: "set of results that we expect from the organization, results that will satisfy certain of our needs, and in return for which we will expend some of our energies and talents." (Handy, 1993: 45).

A study by Turnley and Feldman (1998) found that employees who have the perception that their organisation is treating them incorrectly (e.g. if their input for making decisions is inhibited, advancement opportunities mitigated, responsibility cut down, benefits reduced, or job security endangered) will in many cases terminate their 'psychological contract' (inner commitment) to their organisation. The perceived violations of the 'unwritten' agreement can reduce employee loyalty, provoke protest or decrease employee motivation. In some cases employees will view such a breach as a rational reason to leave the organisation.

While dominant theory addresses the possible risk of losing 'key talent' like high performers or key managers, only minor reference is made to retaining or supporting the 'average' employee; whose value to the organisation is not recognised. Current management literature is clearly taking a managerial position in this respect.

We have seen that merger and acquisition literature has also linked the retention of key personnel to financial rewards or other benefits. One must question, however, whether, this viewpoint degrades employees to submissive subjects. In this sense people are essentially degraded to aboulc objects that can be directed as needed.

The thoughts and perceptions of those affected by restructuring or redundancies are thereby merely skimmed over.

5.1.4 Organisational Response

Many employees obviously experience fears, ambiguities or stress during a merger. As a result, some people exhibit reactions that can ultimately impede the overall success of the merger (e.g. decreased performance levels, clashes with colleagues, increased resistance, higher labour turnover).

In this section it is examined how organisations communicate with their employees in order to address the identified emotional distress.

There is agreement in the management literature that 'effective' internal communication has a positive impact on organisational performance levels (Harshman and Harshman, 1999; Herbst, 1999). The existing mergers and acquisitions theory also suggests that communication plays an important role in mergers and acquisitions (Bastien, 1987; Bridges, 2003; Cornett-DeVito and Friedman, 1995; Galpin and Herndon, 2000; Grube and Töpfer, 2002; Kleppstø, 1998; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005; Whalen, 2002). Bastien (1987), for instance, found that ineffective internal communication can decrease productivity levels and increase labour turnover. Internal communication during the post-merger phase is generally regarded as an important 'instrument' for reducing employee ambiguity, uncertainty, fear and stress (Bastien, 1987; DiFonzo and Bordia, 1998; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005; Stahl and Sitkin, 2002; 2004). Processes related to communication during a merger are multifaceted relating to issues such as staff decisions, merger measurement, cultural integration, leadership issues, employee retention, project management, and human resource management (Galpin and Herndon, 2000).

In their empirical survey, Davy et al. (1988) identified that a positively perceived organisational communication programme increased job satisfaction, strengthened commitment to the organisation and heightened the perception of personal control. Additionally, these employees showed a lowered tendency to leave their organisation.

Often communication is referred to as an 'umbrella term', as Cornett-DeVito and Friedman (1995) note. However, communication should rather be regarded as a contextually driven process in which numerous activities come together. It is evident that communication is still a widely unexplored field and there is limited knowledge about what activities are significant for the organisational members:

"assessments by merger analysts often refer to communication as if it were a simple, unitary operation, not the complex, multifaceted process that it is." (49)

There are also questions about whether organisations have given internal communication the precedence that it requires. An empirical study by Schweiger and Weber (1989) revealed that communication after a merger was still not regarded as particularly important for most of the organisations questioned.

In their multi-method case study of four financial institutions involved in a merger, Cornett-DeVito & Friedman (1995) examined how varying communication activities related to successful and less successful mergers. While their study could not directly link communication to merger success, they found that internal communication affects organisational members. Aspects like message characteristics, variables that condition the context, the integration phase as well as the perceptions of the acquiring organisation's management were assumed to influence employee behaviour.

Honest, open and frequent communication with employees stabilises the workforce, research by Schweiger and DeNisi (1991) suggests. Rather than the change processes encountered in mergers, it is insufficient communication that causes, stress, uncertainty and declining job satisfaction. Their empirical findings show that genuine and realistic forecasts of intended merger outcomes significantly reduce uncertainty and anxiety levels. These 'realistic' previews strengthen the employees' levels of trust towards the management and subsequently increase employee commitment to the organisation. Schweiger and DeNisi also found that employees were conscious of and attentive to management communication and that a lack of communication during a merger was a significant factor for decreasing employee perception of the organisation's trustworthiness and its level of caring.

Based on the findings made by Schweiger and DeNisi's, DeNisi and Shin (2005) assert that 'realistic merger previews' reduce employee stress, dissatisfaction and uncertainty. In addition, clear and accurate information helps to increase sympathy and commitment towards the organisation and strengthens people's willingness to stay.

Similar assertions are made by Galpin and Herndon (2000), who suggest that honest and frequent communication promotes employee motivation. People require information about the merger's aims and its expected prospects, they argue. Carefully devised communication schemes can be supportive in securing trust and in overcoming resistance on all hierarchy levels. In order to secure people's readiness to support the transition, it is necessary to give them the necessary 'information'. This information needs to tell the employees what capabilities, time objectives, personal involvement and responsibilities they need to provide.

Furthermore, organisations should not disguise negative issues as this will frequently fall back on the management's credibility as Empson (2000) found in her case study research of mergers involving accounting and consulting firms. All communication should therefore be honest and realistic even if it involves unpleasant news for some of the employees.

Open and honest updates about the status of the merger were viewed as a matter of course by the participants questioned for this study. The resultant implications for the employees needed to be addressed to the extent to which they were known. Per se, however, this was not expected to reduce any personal ambiguities experienced.

Communication should not be used to sidetrack or mask unpleasant issues as this can heighten dysfunctional behaviour, Vaara (2003) stresses. Managers should take great care to ensure that their pledges are met through corresponding actions, Vaara's qualitative case study showed.

Another recent study also suggests that openness and trust help employees to live through transitions more successfully (Bridges, 2003). Essentially, one of the primary functions of internal communication is to build trust relations, Cornett-DeVito and Friedman (1995) assert.

Trust can be defined as "a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another" (Rousseau et al., 1998; quoted from Stahl and Sitkin, 2002: 8).

According to Nikandrou et al. (2000) gaining employee trust is a key factor for realising merger success (compare Bridges, 2003; Buono and Bowditch, 1989; Napier et al., 1989; Stahl and Sitkin, 2002). The degree of trustworthiness employees confer on their leaders is based on their perceptions of management capability, goodwill and honesty. Trust increases employee commitment and their enthusiasm to participate in the development of the new organisation. Trustworthiness evolves gradually; it is produced by the manner in which the organisation communicates with its employees (before and after the acquisition), by the 'new' employees' interaction style and by the amount of acceptance that employees bestow on planned changes.

Following her findings from empirical research and extensive literature analysis Bijlsma-Frankema (2001) asserts that mutual trust represents a key success factor for successful cultural integration: "trust is one of the basic principles of co-ordination that fosters integration, co-operation and commitment to shared goals" (199). Maintaining trust endorses openness as it produces domains in which the collective thinking and feeling of different members of the organisation is induced. Managers with a high degree of trust are considered to be following more legitimate and authentic motives and additionally their decisions receive a higher level of acceptance within the workforce.

Reflecting upon previous research, Stahl and Sitkin (2004) argue that trust can increase employee performance, improve communication and ease problem solving. Trust is recognised as a means of strengthening employee commitment. It reinforces loyalty and helps to improve relationships between leaders and subordinates. In addition, trust is supportive in facilitating change processes. In scenarios with high merger intensity (e.g. redesign), trust is especially important, as Stahl and Sitkin (2002) point out:

"Processes related to the development of trust appear to be particularly critical to acquisitions that require high degrees of integration. Trust is not likely to be as critical an issue for the preservation and conglomerate-type acquisitions because they require low degrees of integration due to minimal interdependencies between the acquiring firm and the target firms' businesses. In contrast, absorptive and symbiotic acquisitions involve substantial integration, interdependence – and, thus, trust." (Stahl and Sitkin, 2002: 7)

Stahl and Sitkin identify five key characteristics of management important for establishing trust relationships with employees:

Trust, it seems, strengthens people's bond to their organisation. The interview respondents who stated that they had lost their trust in their organisation were more prone to show resistive

behaviour; minimise personal work efforts, ignore implemented procedures and actively undermine the morale of fellow employees. Another finding revealed that broken trust relations were hard to remedy. Those interview subjects who had lost their trust in their organisation showed minor or no willingness to accept any subsequent trust building efforts undertaken by the organisation. People who had lost their faith in their management showed signs of resignation and a high inclination to leave the organisation.

Some subjects stated that their trust towards their organisation had diminished because:

- *Promises made by the senior management/direct superiors were not kept.*
- *Forecasts made appeared overly optimistic, unrealisable or lurid.*
- *Some statements made by the management were rated as false, untrue or insincere.*

A number of respondents, for instance, indicated that there were deviations between the management's dialogue with the employees and the actions that were being carried out (especially in regard to 'hidden' redundancies which were viewed as played down). Trusted leaders, the interviews suggest increased employees' readiness to accept changes more readily.

One frequent mistake organisations make after a merger is to make promises that cannot be fulfilled, Whalen (2002) concludes. In her study, some employees reported that their organisation had lied to them about impending redundancies. Behaviour which is perceived as being insincere can increase employee distrust and scepticism. It is therefore suggested that management should always be clear and transparent about its motives and actions; unpleasant adjustments should always be addressed and explained explicitly (compare Habeck et al., 1999).

Based on the findings by Whalen it is thus questionable whether 'no-change announcements' are really supportive in gaining employee trust. In contrast, Beatty's (1999) analytic survey showed that propagated 'no-change announcements' actually contributed to merger success.

The mergers and acquisition literature has identified the necessity for internal communication to be timely. The organisations should therefore pass on information to their employees as soon as possible (Bastien, 1987; Cornett-DeVito and Friedman, 1995; Jemison and Sitkin, 1986; Nikandrou et al., 2000; Schweiger and DeNisi, 1991; Schweiger et al., 1987; Shrivastava, 1986). Timely communication to employees is of high importance to avoid misconceptions between leaders and employees at an early stage. If employees' information deficits are not satisfied promptly, employees will look for alternative sources (e.g. informal channels) the literature has agreed. Schweiger and DeNisi (1991) emphasise that "the only way for managers to deal with employees' anxiety following a merger or acquisition announcement is to

communicate with employees as soon as possible about all the anticipated effects of the change" (111).

Unsurprisingly, the desire to be informed on a timely basis was expressed by all respondents questioned on this matter. All employees questioned stated that they expected to be informed as soon as new developments surfaced. However, timely information without any essential content was regarded as useless as one participant noted.

Another communicative aspect that is frequently found in the merger and acquisitions literature relates to the quantity of information that employees are exposed to during the merger. The hunger for merger-related information dominates employees' thoughts (Napier et al., 1989).

A number of authors have supported that employees should be informed consistently (Bastien, 1987; Cartwright and Cooper, 1996; Kramer et al., 2004; Napier et al., 1989; Schweiger and DeNisi, 1991; Whalen, 2002) as well as extensively (Bastien, 1987; Napier et al., 1989; Shrivastava, 1986; Mirvis and Marks, 1986). Organisations should regularly communicate even if they simply reaffirm that there is nothing new to communicate (Cartwright and Cooper, 1996).

People also require clear, accurate (Bastien, 1987; Schweiger et al., 1987; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005) as well as relevant information (Bastien, 1987) about the ongoing events. According to Bastien organisational communication helps employees to reduce their levels uncertainties and misunderstandings. Cornett-DeVito and Friedman, (1995) assert that people essentially rely on information to gain an understanding of the new procedures and ways of doing things.

Another related discussion has also examined whether all employees should receive the same information during a merger. Kay and Shelton (2000), for instance suggest that it is important that the entire workforce is fully informed about new developments during transitions (compare Empson, 2000; Jemison and Sitkin, 1986). Contrarily, a quantitative, empirical study by Zhu et al. (2004) found that the openness of information during a merger is not necessarily related to job satisfaction. Zhu et al. assert that "information should be communicated to employees only when it was carefully designed and delivered purposefully" (241). Communication openness should be adapted to specific groups and hierarchy levels in the organisation (compare Napier et al., 1989); there is a risk that some members of the organisation may falsely interpret certain information or others may find certain information which they don't understand as even more disturbing. Information for example related to ambitious strategic goals and employee expectations may unintentionally increase uncertainty at lower hierarchy levels:

"Communication during a merger needs to vary in its openness, depending on the nature of the information to be communicated, the goals of the organization, the specific needs and concerns of the employees, and the different needs and expectations of acquiring and acquired company employees." (Zhu et al., 2004: 242)

Providing inadequate information to the employees may in some cases be intentional (strategic objective) or unintentional (common phenomenon), Zhu et al. contend. Based on his synthesis of key merger and acquisition texts, DiGeorgio (2003) cautions that added confusion can be created by inconsistencies or variations in the degree of shared information. Whilst some people in the organisation may be sufficiently informed, others may only pick up inaccurate or incomplete information or possibly even rumours. The blending of inaccurate and accurate information may unnecessarily intensify misunderstanding even further.

However, key emphasis should be given to the quality or contents of disseminated information rather than on factors like its frequency, Stahl and Sitkin (2002; 2004) caution. The quantity and regularity of information that employees are subjected to only plays a minor role in minimising people's information deficits, Berner (2004) adds. Frequently, employees are 'flooded' with information about the mergers, but still have the impression they are ill informed, a 'paradox' situation. Communicative activity should therefore relate to 'contents', centre on the 'sense', the 'context' as well as the 'internal logic' of the change route. People yearn for concrete answers in regard to the changes that will affect them and their immediate work environment.

"employees need to know what will happen to their job, their colleagues, their company. In order to feel 'secure' and reduce their anxieties, they demand, honest and useful information, not just any information." (Nikandrou et al., 2000: 349).

The findings by Cornett-DeVito and Friedman (1995) indicate that information provided to employees should be clear and precise not fuzzy or exuberant. People will reject information that is 'sugar-coated'.

Empson (2000) also discourages too much inspirational praising of the merger. The management should clearly lay out what significance the merger will have for the organisation's development though – even if this may not find favourable reception with every employee.

In their case study research based on a narrative text analysis Demers et al. (2001) concluded that organisations often use narratives in which the merger is described as appealing and beneficial. These narratives are often practised in order to gain commitment and to raise motivation. It is questionable though whether such an approach is viable as employees are reduced to passive information recipients whose personal views are not considered.

A related reference was also made by an interview participant (employee) who stated:

"It seems that communication was predominantly engaged in selling the prospective advantages of the merger rather than actually providing any real sense and substance. Presumed employee concerns were occasionally addressed but not really dealt with. There was a lack of comprehension about the actual problems in the workforce"
(employee, translation)

Although the interview candidates expressed that their organisations had engaged in communication during the merger, there was mainly discontent with its quality. Common responses suggested that the organisational communication provided:

- *information already known through informal channels,*
- *vague or no concrete information about impending changes to people's work environment,*
- *'propaganda' or 'advertising campaigns',*
- *no perceptible usefulness for the individual,*
- *information with conflicting statements that created confusion,*
- *no plausible explanation for planned change measures.*

Most employees expressed that they were receiving too much information; essentially without any value to them. Some respondents indicated that they had stopped monitoring merger updates as they expected that these messages were edited to highlight positive developments only; there was thus only limited confidence in their degree of truth. Overall, it was expressed that issues rated as significant to the employees were not or only insufficiently addressed. The respondents would primarily rate the subjective value attached to the messages (usefulness) not their length, structure or frequency.

In regard to the message sequencing, Cornett-DeVito and Friedman (1995) stress that organisations should take care that formal information always precedes informal information. In their explorative study, Schweiger and Goulet, 2005 note that formal communication is regarded as an important aspect during integration, however, it will not suffice on its own to bridge cultural differences.

In cases where there is a lack of formal communication during a merger, employees will frequently rely on rumours to satisfy their information requirements, Buono and Bowditch (1989) indicate. Rumours and gossip represent a form of informal communication that employees rely on in order to reduce anxieties, fears or stress. Rumours, however, tend to increase employee uncertainty levels even more, as Buono and Bowditch add. During mergers people often turn into 'rumour-mongers' combining 'fact' and 'fantasy', they engage in unfounded deliberations in which they conjure up horror scenarios about their personal fates (Marks and Mirvis, 1986).

According to Galpin and Herndon (2000) rumours represent a serious threat to organisational stability, especially when rumours become the primary source of employee information. The sources of rumours therefore require prompt identification and containment. In many cases, rumours are completely unfounded and cause unnecessary misunderstanding, Galpin and

Herndon note. People also tend to heighten their uncertainties even further by relying on sources with questionable legitimacy (Cartwright and Cooper, 1996).

Rumours were described as a reliable source of information by several interview participants. One participant indicated that the rumours eventually proved to be more reliable than the official statements made by the organisation during the transition.

Merger-related information is commonly disseminated through multiple channels like memos, newsletters, electronic messages, posters, signboards, videos, video conferencing or personal interaction as Whalen (2002) notes. It is also not uncommon that multiple channels are used in combination in order to increase penetration levels. This practice is also endorsed by Davy et al. (1988). In their study Napier et al. (1989) found that employees generally welcomed a monthly news update or a chance to consult a Q&A hotline (compare Schweiger and DeNisi, 1991; DeNisi and Shin, 2005).

Different media, however, vary in their effectiveness as Whalen (2002) found. Her research showed that face-to-face communication conducted informally has the highest impact on employee perceptions (compare Bastien, 1987; Cornett-DeVito and Friedman, 1995). This statement is also supported by findings from Napier et al. (1989) who advise conducting regular personal meetings between employees and management. In their view interpersonal interaction is generally assumed to have the strongest impact on an individual; personal interaction also allows for immediate feedback. As Bastien (1987) adds, two-way communication is valuable for enquiring into employees' uncertainties (compare DeNisi and Shin, 2005).

Whenever possible, employees should be approached personally the interviews suggest. The interview participants generally stated that they favoured personal interaction over other mediums like e-mails, intranet based Q&A forums, organisational newsmagazines, etc. Situations which allowed for personal interaction with superiors/senior executives were described as most memorable. Managers also appeared more authentic when they showed face. As one expert noted:

"During a merger managers need to be closer to their people than in most other situations. Formal discussions, meetings and information have only little effect. Integration activities necessitate personal interaction. You do not help the integration process by sitting behind a desk, talking on the telephone or by sending e-mails. You need to spend time walking around and talking to people. Give the people a chance to tell their side of the story and make sure that you take their concerns seriously. Most important: in order to find out what is really happening you must try to read between the lines" (expert, translation)

While the free expression of opinions was viewed as desirable by most employees questioned often this was not accepted by those with power. Some participants stated that their voice was

deliberately contained in order to avoid unrest. People were only supposed "to 'buy in to the management's programme" (employee, translation). Critique was essentially regarded as undesirable and was frequently not tolerated.

Personal interaction may strengthen people's 'listening' capabilities; possibly helping them to get a better understanding of another subject's apprehensions and concerns. As Carnall (1990) notes in his management text on change, empathy is a vital prerequisite for achieving change. Successful change necessitates the sincere will to understand people's concerns:

"We can never fully see a situation like others see it. But we can struggle to try and individuals will respond to that struggle. They will also respond to someone, who clearly does not try. Generally their response will be to ignore them if possible, to resist them and certainly to approach dealings with them cynically. Making information intelligible to its recipient requires these skills. We need to try to see things as the recipient will see them, in order to communicate. Often we do not try; we pass on the information we have. Usually we do so without attempting to make it intelligible, if we pass it on at all!"
(Carnall, 1990: 120)

This reasoning by Carnall underlines that communication activities are linked to the behaviour of the management: its readiness as well as its capabilities to understand the underlying verbiage. Managers must adapt their communicative activities so that they correspond to employee realities.

"Effective communication starts with understanding and respecting personal impact. People will not listen if they do not think their concerns, issues, fears, etc. have been recognised. So, effective communication starts with listening." (DiGeorgio, 2003: 270).

In many cases, merger failure has been linked to poor leadership (Galpin and Herndon, 2000; DiGeorgio, 2002). Many managers encountering integration problems, it is claimed, hesitate to make the necessary decisions. They do not communicate properly and do not deal sufficiently with the ambiguity of their employees (Pritchett et al., 1997).

"The outcome of post-acquisition transformation and integration depends on managerial action taken during the process." (Meyer et al., 2003: 479).

During a merger managers frequently retract, reduce their availability and communicate less with their employees (Marks and Mirvis, 1986). However, no communication is also a form of communication. As one of the leading communication theorists Watzlawick notes, "One cannot not communicate (Griffin, 2003: 173; compare Watzlawick et al., 1990: 72 ff.). Reduced communication of the management is hence often interpreted as a negative sign by the employees (compare Schweiger et al., 1987). Inactivity by the management may easily lead to rising uncertainty levels (Bastien, 1987) or false interpretations (Napier et al., 1989).

Following this argument one respondent noted that:

"Communicating bad news is better than not communicating at all; we have a right to know what is going on, regardless of what will happen." (employee, translation)

Additionally, there is risk of misunderstanding as any actions or non-actions by the management are frequently perceived as premeditated even though this might have not been intended (Bastien, 1987). All measures undertaken by the organisation must therefore be viewed as a form of 'communication', regardless whether this happens purposefully or not.

One participant indicated that she had lost almost all contact to her superior for several weeks during the transition; this inattentiveness had eventually caused her to become uneasy about the safety of her workplace as she interpreted her superior's behaviour as deliberate. "In practice almost every internal activity or non-activity relies on and requires communication ... if you stay inactive or if you implement anything without justification you will be sure to stimulate confusion and protest" (translation) one merger expert noted.

It seems that the management is one of the primary sources of information for the employees. Following Mindszenty and Roberts (2001), DiGeorgio (2003) emphasises that employees will initially seek information from their immediate superiors or managers. If these leaders have inadequate communication skills, this will reflect negatively upon their staff members. People's assumptions and beliefs are a reflection of their experiences; "trust and support are gifts employees bestow on a management that's consistent over time in its walk and in its talk" (Mindszenty and Roberts 2001, quoted from DiGeorgio, 2003: 270):

A quantitative study by Kavanagh and Ashkanasy (2006) found that people will rate the leadership in terms of the way that its actions are expected to affect the individual. In turn people will equate this behaviour to the management's perceived capability; thereby deciding whether to accept or reject the changes imposed onto them. Merger changes, it is argued, are thus dependent on the traits of the leadership and its capability of addressing the emotional issues that affect the individual.

Employee dealings during mergers are a dynamic process requiring constant adaptation by the management to address changing themes and issues (Cornett-DeVito and Friedman, 1995). Furthermore, management behaviour serves as an important benchmark for employees; they "watch their supervisors carefully and interpret their actions and reactions, using them as guidelines for their own actions" (Risberg, 1997: 261). As Bastien (1987) notes, people examine their leadership's behaviour closely and will appraise whether it keeps word (compare Honegger and Ahrendt, 1999).

Managers should therefore be attentive of their own behaviour. They should structure their communication style carefully. The tone used for internal messages, for instance, should be

friendly or caring rather than top-down, Cornett-DeVito and Friedman (1995) warn. In addition, messages should exhibit determination rather than uncertainty.

Employees' perceptions of how the merger is handled will influence their willingness to either support or undermine the integration (Buono and Bowditch, 1989). Some authors have therefore stressed that successful integration requires a more employee-oriented leadership approach (Bijlsma-Frankema, 2001; Empson, 2000; Larsson, 2005). It is argued that participation-oriented approaches will lessen distress on the part of the employees. Consequently, support and motivation will rise. Empson (2000) concludes that employees should have an active role in the integration process. Such an approach will help the management in gaining and disseminating merger relevant information. Bryson (2003) indicates, however, that feedback must actually be taken into consideration:

"Research shows that employee opportunity to voice an opinion results in the process being perceived as fairer, although this is negated if that opinion is perceived to be ignored by the decision maker." (16, based on Citra and Rentsch, 1993)

Almost all employee-level participants questioned stated that they had played no active role in the decision-making processes that were made; significant changes were generally regarded as imposed. Some employees and managers expressed that this made them feel helpless and insignificant. There were hardly any means of providing feedback. The integration process had been "played on their back" (employee, translation) and it was not asked whether the employees would support the change.

Organisational communication after a merger is vital for the exchange of knowledge between the new organisational members. In her inductive and qualitative study of six merged accounting and consulting firms based in the UK, Empson (2001) found that knowledge transfers between the new organisations were frequently impeded in cases where the individuals had different views in regard to the existing knowledge base used by the partner or in cases where the own organisation's image was viewed as superior in regard to the other organisation. Employees would therefore have a higher willingness to share knowledge with their peers when they felt that they would receive an equivalent return (i.e. assessing the value of their knowledge with that of their colleagues). Empson concluded that this behaviour was grounded on the fear of being 'exploited' by the new partner organisation.

The organisational members would also compare their organisation's image with that of their new colleagues. If it was felt that the other organisation was inferior (e.g. because of its lowered valued client base) to their own organisation, then individuals would show a higher reluctance to share their knowledge. This reaction was explained by a fear that the new organisational members could 'contaminate' the former organisation's high level image. According to the study people's willingness to share knowledge is thus mainly based on subjective considerations.

Organisations must therefore realise that people's willingness to communicate and share knowledge is influenced by the way that the employees perceive the 'other' organisation and its employees.

Mergers often represent a trade-off between issues of people focus and effectiveness. Based on case study research, Meyer (2001) found that there are instances when managers are confronted with irreconcilable motives where they have to favour either profitability or the fostering of employee relationships. Consequently, merger situations often unavoidably lead to perceptions of unhappiness, for instance, due to situations in which employees or colleagues lose their jobs. Not all of the subjects affected will be in a favourable position after a merger. As indicated in the literature, internal communication appears to play a principal role during mergers but it may not satisfy everybody's needs equally.

Overall, many dominating research studies on internal communication during mergers tacitly regard communication as a linear process of sending and receiving information (Bastien, 1987; Cornett-DeVito and Friedman, 1995; Haspeslagh and Jemison, 1991; Kramer et al., 2004; Napier et al., 1989; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005; Shrivastava, 1986; Whalen, 2002; Zhu et al., 2004). Additionally, communication is frequently viewed as a top-down exercise (Napier et al., 1989). From these viewpoints, it is assumed that previously conceived ideas can be reproduced in the minds of the merger participants. At the same time it is supposed that the organisational members make sense of the messages disseminated as intended by the senders. Certain adaptations to tone or style (Cornett-DeVito and Friedman, 1995) or levels of openness (Schweiger and DeNisi, 1991, DeNisi and Shin, 2005) are thought to appease or guide people's behaviour. Much of the previous research is founded on the misconception that because information is passed over or exchanged with others communication has taken place. It is not considered that these measures simply represent single constituents/components of more complex interaction processes embedded in open systems. The author stresses that none of the previous research is considered wrong, rather it is criticised that most previous studies have only concentrated on certain communication fragments. Other influencing factors are simply blended out.

The following examples should clarify some identified weaknesses. As suggested earlier, trust relations are undoubtedly important for merger-related communication processes; this is not contested in any way. It is unclear though whether increased trust alone will improve merger communication. Other factors may also condition the employees' perception (e.g. planned restructuring measures, related redundancies or financial cutbacks). Furthermore, the existing literature provides no clear indication of how trust is actually created between two subjects. Trust cannot be communicated in a send and receive fashion; we cannot simply communicate trust. We must realise that trust unfolds between people as they share certain thoughts and exhibit certain behaviour; this process takes time and may or may not be successful. In other

words we cannot simply push a button and gain employee trust. It is also questionable whether certain activities affect different individuals in an equal manner. Different subjects may not respond equally to certain organisational trust building exercises. While some subjects may build trust towards their organisation because of certain measures implemented others may not.

Another example relates to a research study that seeks to link predefined communicative practices to employee responses. One analytic survey study examined the amount of information that employees are exposed to during a merger. The amount of disseminated information was thereby correlated to the reduction of uncertainties and to the extent of sympathy that the employees exhibited towards their organisation (Kramer et al., 2004). Such an approach, however, reduces merger communication to a static diffusion of messages. As Larrson and Risberg (1998) rightly note: "more communication may make uncertain situations more certain, it will not necessarily make them less ambiguous" (50). The ambiguities that people experience result from inconsistencies in the communication, these ambiguities cannot be compensated simply by increasing the amount of information. In many cases the reasoning of the individual person is discounted and instead meta-level guidelines with limited viability are deduced.

Most management oriented texts reviewed have also mainly focussed on providing guidelines that describe how managers can steer employees into alignment with organisational objectives, i.e. prescriptive guidelines at the meta-level (compare Pritchett et al., 1997; Galpin and Herndon, 2000). Current management literature remains fairly one-sided restricting itself to reflecting the managerial point of view. The assertions and recommendations made also frequently lack support from systematic research.

Until today only a few research studies, predominantly from the Scandinavian region, have viewed merger-related communication activities from a perspective of social construction (Gertsen et al., 1998; Gertsen and Söderberg, 1998; Kleppestø, 1998, 2005; Söderberg et al., 2000; Vaara, 2000, 2002, 2003). The authors of these studies premise that the organisational members engage in creating socio-cultural realities that are jointly constructed. The studies essentially focus on how the research participants jointly create and experience the ongoing merger events.

"The reality of each person is built-up of cultural constructions that are kept in place by mutual consent just as effectively as by any material reason. This consent is embodied in collective representations: language, categories, symbols, and institutions." (Gertsen et al., 1998: 32).

Some research has examined communication and culture in mergers under the premise that meanings are created or shared between the organisational members (Dackert et al., 2003;

Gertsen and Soderberg, 1998; Kleppesto, 1998, Larsson, 1990, Larsson and Risberg, 1998; Risberg, 1997). These studies attempt to expose concealed processes behind human relations during a merger. Thereby focus is put on joint interaction processes in which aspects related to 'common language', 'mutual consideration' or 'values promoting commonality of interests' are accentuated (Larsson, 1990).

In these studies it is assumed that people create their social worlds through combined interaction. Thereby, reality creation is a continuously evolving process in which meanings are conditioned by contextual settings. In doing so, organisational culture is viewed as a product of people's interpretations and not as a tangible construct (Gertsen et al., 1998).

While some more recent literature has provided alternate and interesting viewpoints focussed on aspects related to social construction and meanings, merger communication requires further exploration as many underlying processes still remain to be identified. While some of these studies have provided an alternate perspective as well as valuable insights there is still no overarching approach that sufficiently explains merger communication from a critical realist viewpoint - the principal philosophy guiding this study.

5.2 Cultural Dimensions and Interaction

"Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster." (Geert Hofstede)

Another significant field that incorporates aspects of interaction is related to the study of organisational cultures. Cultural aspects and communication are closely interlinked. As we will see a number of academics from different disciplines have contributed to this field.

Before we delve deeper into the cultural dimensions of mergers and acquisitions it is necessary to gain a brief understanding of what is meant by the term. Culture essentially stands for a 'collective phenomenon' which according to Schein is:

"a pattern of basic assumptions - invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration - that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."
(Schein, 1992: 12)

In other words, culture is a group experience in which shared assumptions and beliefs are conceived. Within an organisational context, culture represents shared values that define what is important to the employees. Culture consists of unwritten norms and rules that specify appropriate behaviour, feeling and attitudes. Malekzadeh and Nahavandi (1993) contend that "Culture is to an organization what personality is to an individual." (4)

The following aspects relate to cultural issues which are common in organisations:

- Procedures concerning how work is structured and perceived.
- The way power is applied and shared.
- Actual and perceived employee rewards, endorsements, sanctions and reprisals as well as control systems.
- Standards, beliefs and work perceptions of employees.
- Actual and desired existence of formalised and standardised systems.
- Value given to procedures like preparation, planning, examination, reason and equality.
- Degree to which personal initiative, risk orientation, independence, voice, and individuality is encouraged.
- Regulations and expectations in regard to interpersonal communication, interaction, and personal appearance.
- Differences in status.
- Importance given to regulations, shared or individual working environments, performance and result orientation.

(Source: adapted from Business Open Learning Archive, 2004)

Members of the organisation frequently have a biased perception of other cultures: "Employees typically emphasize or exaggerate the differences between organizational cultures; they tend to perceive that their way of doing things is superior to the style and practices of the other company" (Anderson, 1999: 3). Organisational cultures are believed to lessen employee uncertainties providing support and security. According to Schein (1991) cultures:

"provide group members with a way of giving meaning to their daily lives, setting guidelines and rules for how to behave, and, most important, reducing and containing the anxiety of dealing with an unpredictable and uncertain environment." (15)

Some of the participants questioned reported that the company culture was like a behavioural framework – it guided their actions, providing direction and identity:

"We were like a family, everyone received continuous training on what to do, how to behave and even what to think. We all viewed this as something positive, essentially a community that everyone had a place to grow in. When we were told that we would merge it was like losing one's footing." (employee, translation)

Some popular management literature suggests that the culture of an organisation typically centres around four key attributes (Deal and Kennedy, 1982):

- 'Shared values': assumptions and beliefs shared by members of the organisation.
- 'Heroes': symbolical reference to individuals who promote the organisation's values and vision. Heroes are role models that guide the organisation's future.
- 'Rituals and rites': actions centred on celebrating and enforcing the organisation's assumptions and beliefs.
- 'Cultural communication': networks, informal communication and interaction between members of the organisation which are used to clarify, reflect upon or enforce values, heroes and rituals.

An organisation's culture is not a homogenous structure (Bijlsma-Frankema, 2001), but may contain a number of coexistent subcultures (compare Buono et al., 1985; Kotter and Heskett, 1992). According to Morgan (1997) "Organizations are mini-societies that have their own distinctive patterns of culture and subculture" (129). There can also be forms of 'fragmented cultures' in which there is a discrepancy between what people articulate and the way they actually behave or act: "people say one thing and do another" (ibid: 130). Every organisation's culture and its subcultures are unique to a specific entity, Morgan concludes. In their case study research of a bank merger Buono et al. (1985) discovered that organisations can have subcultures that possess contradictory values to those of the dominant subcultures. Furthermore, culture is not static but subject to continuous evolvement; norms and rules adapt to changing developments.

The literature also differentiates between 'strong' and 'weak' cultures. In the literature 'strong' cultures are characterised by their high degree of value sharing between the members of the organisation. According to scholars like O'Reilly and Chatman (1996) strong cultures are "a set of norms and values that are widely shared and strongly held throughout the organization" (166). In their management text which is largely founded on empirical evidence Kotter and Heskett (1992) assert that the strength of a culture is dependent on how widely shared and intense organisational beliefs, norms and values are. They add that performance levels in strong cultures tend to surpass those of weaker cultures. Weaker cultures often exhibit conflicts or other inconsistencies. The study by Sorensen (2002) suggests that strong cultures tend to outperform weak cultures in terms of performance rates; provided that both are based in stable market environments. When strong cultures are subjected to fundamental change, however, they generally have more difficulty in adapting. Sorensen asserts that people based in strong cultures frequently show more self-awareness of their unique capabilities. They develop frameworks in order to interpret their environment and produce standardised routines in order

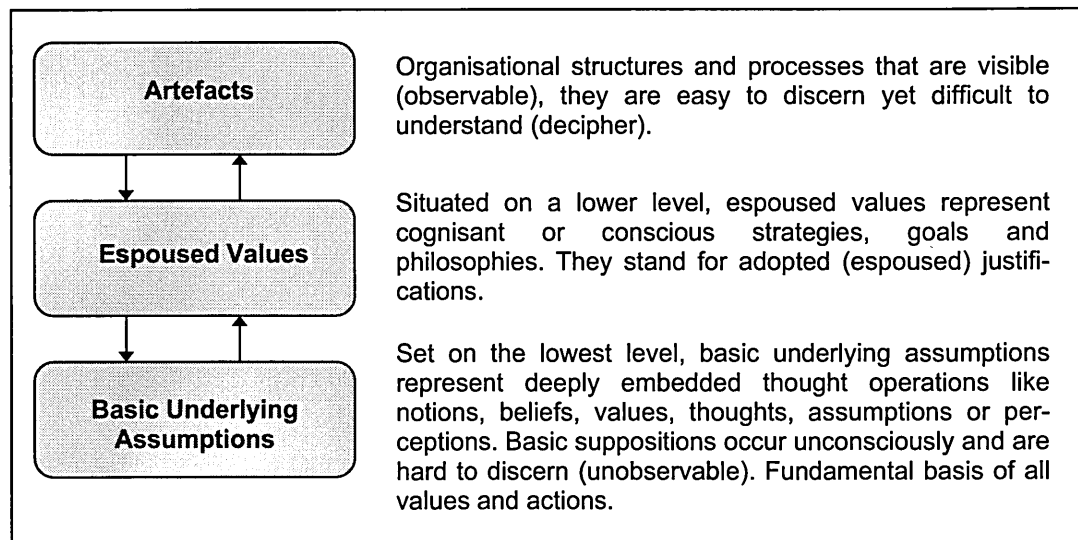
to respond to incremental changes in the environment. Stronger cultures typically exhibit a more coherent and unified perspective. However, when more fundamental changes (e.g. mergers) occur, organically grown and manifested structures appear more difficult. Conversely, weak cultures usually consist of members with a multitude of different perspectives and objectives. Weaker cultures have no predefined routines or customs when dealing with unforeseen events; their approach in coping with environmental changes is less structured and formalised, there is no shared perception or manifested approach of how to react or how to do things – and consequently fundamental change appears less threatening.

Kotter and Heskett (1992) assert that culture grows, it can be passed on to others (new members) and it is persistent over time. Essentially, culture is produced on an indiscernible level and that only its outcomes are visible.

"At the deeper and less visible level, culture refers to values that are shared by the people in a group and that tend to persist over time even when group membership changes. At the more visible level, culture represents the behaviour patterns or style of an organization that new employees are automatically encouraged to follow by their fellow employees. Each level of culture has a tendency to influence the other." (4)

In his texts reflecting on previous consultancy experiences, Schein (1992, 1999) differentiates between three levels making up organisational culture.

Figure 5.6 Schein's Three Levels of Culture



Source: adapted from Schein, 1992, 1999

Based on Schein, 'artifacts' encompass everything that takes place at the surface or in other words things that can be observed through our senses of seeing, smelling, hearing or feeling. Artifacts include things like physical matter or objects, the environment, language, dress

habits, behaviour, certain rituals and ceremonies. Although easily observable, it is frequently difficult to understand why certain things are done the way they are. Interpreting (deciphering) the things around us can be misleading (fallacious) as one unavoidably projects personal experiences, perceptions or feelings to the things one observes. Schein argues that in order to facilitate change it is necessary to uncover the concealed reasons for certain behaviour.

The 'espoused values' are formalised statements made in order to express organisational principles, beliefs or standards. Setting organisational values or aims is done at a conscious level. In many cases, espoused justifications can cause certain occurrences at the artefact level. These espoused values, however, rely on organisational learning; otherwise, there is the risk that values are merely proclaimed (lip-service).

The 'basic underlying assumptions' form the essence of organisational cultures. They represent unconscious or implicit thoughts and beliefs that are collectively probed and exercised in a group. Through the process of problem solving within the group certain practices are validated and accepted as right. As long as the group members are positioned within the stability of the group, these practices remain unquestioned and are subsequently adopted to form an integral part of behaviour (a form of static thought pattern is manifested). Implementing new ideas disrupts and destabilises this comforting situation as it necessitates a reassessment or possible change of existing underlying suppositions. The change process can lead to resistance, anxiety and discomfort: "organizational learning, development and planned change cannot be understood without considering culture as a primary source of resistance to change" (Schein, 1992: 14).

The realisation of effective change within an organisation necessitates a change in the culture. Schein adds that "we gain a much better perspective if we realise that most organizational change usually involves some changes in culture, often at the sub-cultural level" (14). In order to understand a culture, one must expose its implicit assumptions (basic underlying assumptions). However, lower levels of culture are not readily observable or easy to interpret. Grasping culture in its entirety is thus a futile task, Schein (1992) contends.

Additionally, culture is 'deep', 'broad', 'stable' as norms and values manifest themselves, this makes any attempt to change a culture very difficult (Schein, 1999). Essentially, culture imposes more control on an individual than vice versa. Schein argues that a new culture cannot be created; managers can merely implement new ways of working that may or may not find acceptance.

"The bottom line for leaders is that if they do not become conscious of the cultures in which they are embedded, those cultures will manage them. Cultural understanding is desirable for all of us, but it is essential to leaders if they are to lead." (Schein, 1992: 15)

Schein's segregation of culture into different levels provides an explanatory framework for understanding how organisational behaviour develops and manifests itself. His approach underlines the importance of understanding deeply embedded thought processes (e.g. presumptions, perceptions, feelings). Many of Schein's interesting findings relate to consultancy experiences (case based reflections). His assertions, however, still lack support from research.

5.2.1 Combining Cultures

In this section the complexities of cultures during mergers are examined in more detail.

One of the key challenges that organisations face after a merger relates to the integration of the cultures (Buono and Bowditch, 1989; Buono et al., 1985; Cartwright and Cooper, 1992, 1993c, 1996; Datta, 1991, Larsson and Lubatkin, 2001; Nahavandi and Malekzadeh, 1988, 1993; Sales and Mirvis, 1984). In the dominant academic literature cultural differences are frequently blamed for merger failures; this relates likewise to both domestic and international mergers (Teerikangas and Very, 2006). Considerations given to cultural integration are thus of equal importance as considerations given to structural combination (Schraeder and Self, 2003).

There is generally wide agreement that culture can influence or is related to performance levels (Bijlsma-Frankema, 2001; Deal and Kennedy, 1982; Kotter and Heskett, 1992; Ogbonna and Harris, 2000; Peters and Waterman, 1982; Schein, 1992; Schraeder and Self, 2003; Sorensen, 2002; Habeck et al., 1999). Weber (1996) conducted an extensive analytic survey on the cultural compatibility of organisations and their resultant financial performance. Although Weber's findings could not directly link cultural differences with poor financial performance his findings suggest that cultural disparities impair the integration process.

According to Shrivastava (1986) the inability to achieve 'socio-cultural integration' is a key factor in poor performance during organisational integration. 'Socio-cultural integration' signifies complex and interwoven processes, in which a new leadership is established, managers are selected or reassigned, organisational structures are changed and employee commitment and motivation is gained. As Cartwright (1998) notes poor merger performance:

"is the outcome of factors relating to partner selection and lack of cultural fit; the way in which the integration or acculturation process is (mis)managed and the negative response of employees to widespread organizational change." (7)

Ideally, the objective of any merger is to reach a state of 'acculturation' in which the distinctive cultures of the combining organisations are harmonised. Larsson and Lubatkin (2001), who conducted case study research, note that: "Acculturation in mergers and acquisitions (M&As) is the outcome of a co-operative process whereby beliefs, assumptions and values of two previously independent work forces form a jointly determined culture" (1574).

However, practice has shown that the integration of divergent cultures can lead to substantial problems. Insufficient focus on cultural aspects may lead to misunderstandings amongst the employees (Cartwright, 1998). When employees embrace old values and principles they often engage in group segregation. Hence, there is the risk that opposing factions evolve (Bijlsma-Frankema, 2001). In cases where discrepancies between two organisations and their practices and routines become visible, there is the danger of a 'culture shock' arising. Employees commonly react with irritation, anger, confusion, loss of management trust, stress, increased fears as well as a decrease in morale (Pritchett et al., 1997). Mergers often fail to achieve their expected success because of "the conflicts and tensions that emerge when companies try to combine disparate and frequently dramatically different cultures" (Buono and Bowditch, 1989: 134).

In merger situations organisations are frequently characterised by diverging 'realities'; there is no shared understanding ('common reality') of the partner's cultures or acceptance of the way the organisations are integrated, as Cartwright (1998) notes. Cultural differences represent things that have not been done like that before, therefore they are often viewed as something that must be wrong. As a result the practices of the partner organisation are rejected and cultural tensions evolve.

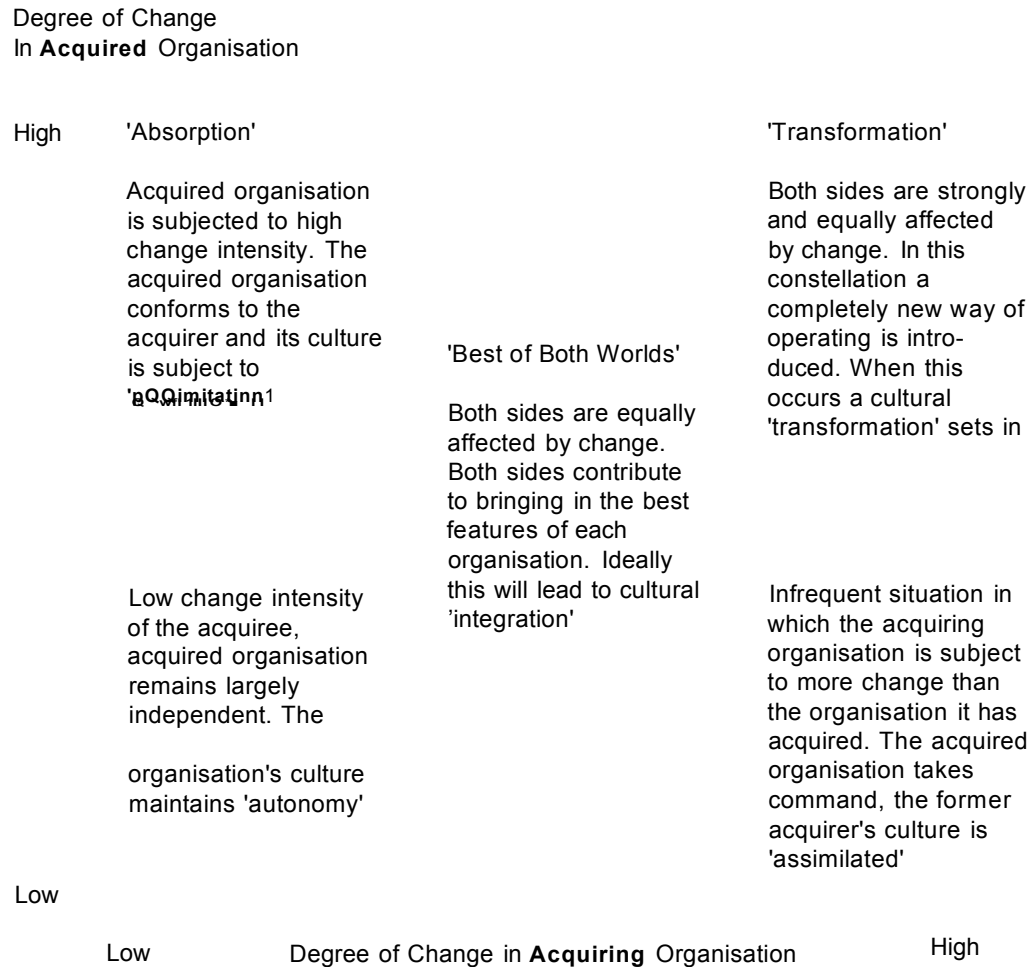
In their study Buono et al. (1985) reported on the difficulties of merging organisational cultures. They found that the incompatibility of different organisational cultures during mergers is often the reason for merger failure. Culture is an important belief system that employees develop over time. In case of perceived threat people will react with resistance or even sabotage to protect it. Buono et al. argue that many difficulties experienced in cultural integration essentially stem from the distinctiveness of the former organisations.

Cartwright and Cooper's (1993b) analytic study found that similar cultures appear to blend together more easily than divergent ones. Mergers, however, remain stressful for the individuals even in cases of high cultural compatibility, they contend.

Cultural disparities impact on people's well-being. Panchal and Cartwright's (2001) empirical research found that cultural differences influence people's stress rates. Organisational members that were more flexible and informal and which fostered personal relationships among the employees showed lower susceptibility to stress than organisations that were more hierarchically structured, rigid and impersonal. Strong interpersonal relationships among the employees, it is assumed, may provide more support to the individual.

Marks and Mirvis (1998) linked cultural frictions to the integration typology. They identified five integration typologies which are believed to influence the process of cultural symbiosis:

Figure 5.7 Integration Typologies and Cultural Integration



Source: adapted from Marks and Mirvis, 1998: 73

These typologies reflect on the different outcomes of cultural integration; however, there is no ideal form of cultural integration. As Teerikangas and Very (2006) contend, cultures are dynamic structures that are influenced by the specific contextual settings of the merger. The benefit of any integration constellation is purely subjective.

Several interview participants who were based in the acquiring auditing firm questioned stated that they felt that members of the acquired organisation had gained control by taking over key positions within the new organisation (reverse merger). The employees based in the acquiring organisation were viewed as sluggish, inflexible and conservative. The organisation of the acquirer was described as lacking culture; having no real shared values or beliefs. These same participants described their own organisation as decisive, young and dynamic. Their own culture was viewed as strong, valuable and worthy of protection. In the past newcomers were

committed to this culture through formal events like seminars and trainings as well as through informal events like sports activities, parties and other group meetings.

Some of the participants based in the acquiring organisation viewed their new colleagues quite differently. The members of the acquired organisation were reported to have an 'up-or-out culture' characterised by 'hot air' and 'superficiality'. Members of the acquired organisation were also described as self-absorbed, arrogant with a tendency to overestimate their capabilities. Their own culture, on the other hand, was described as benevolent and people-oriented while the organisation itself was described as strong, well structured and compliance focussed.

The participants from both organisations indicated that they had to adapt certain procedural guidelines of the other organisation. A few participants mentioned that they had initially rejected these changes because of prejudices related to the other organisation and its 'culture'.

A number of candidates questioned who were not based in the auditing organisation merger indicated that they had been affected by absorption mergers, in which it was attempted to assimilate the former values and beliefs of the acquired into the acquiring organisation. Overall, these attempts were not rated as successful though.

In their cultural integration approach, Nahavandi and Malekzadeh (1993) distinguish four degrees of integration intensity. The achievement of these intensities is grounded in the preferences of the acquiring and the acquired organisation:

- 'Integration': members of the acquired organisation seek independence and strive to maintain their former culture and identity. Integration is usually only of structural nature, whilst cultural and behavioural absorption is only minimal.
- 'Assimilation': willingness of one group (acquired organisation) to be completely absorbed by the other group's (acquiring organisation) culture and identity. This situation represents a one-sided process in which the existence of the former culture of the absorbed group ends.
- 'Separation': describes the effort to sustain independence and detachment from the dominant group's culture and procedures. Cultural connections and interactions will be minimal whilst both cultures exist autonomously from each other.
- 'Deculturation': loss of cultural and mental connections and relations to one's own group as well as to the other group. Individuals perceive themselves as being outsiders.

(Source: Nahavandi and Malekzadeh, 1993)

The proposed model by Nahavandi and Malekzadeh provides guidelines as to which form of acculturation is most suited for the 'acquiring' as well as the 'acquired' side. The first figure below contrasts the acquired organisation members' preferences to preserve their culture

contrasted with the perceptions of attractiveness (e.g. culture, performance, leadership style, beliefs) they have of the acquiring organisation.

Figure 5.8 Preferred Adaptation Process of the Acquired Organisation

		How much do members of the acquired firm value preservation of their culture?	
		Very much	Not at all
Perception of the attractiveness of the acquirer	Very attractive	Integration	Assimilation
	Not at all attractive	Separation	Deculturation

Source: Nahavandi and Malekzadeh, 1993: 66 (based on Berry, 1980, 1983)

It is assumed that the members of the acquired organisation determine the willingness to preserve or to give up their former culture by the success and strength of their own culture as well as the attractiveness of the acquiring organisation's culture. In the next figure, the acquiring organisation is analysed in terms of its degree of multiculturalism. This viewpoint is contrasted with the operational relatedness of both organisations. Based on this assessment the acquiring organisation's 'optimal' acculturation mode is derived.

Figure 5.9 Preferred Adaptation Process of the Acquiring Organisation

		Degree of multiculturalism	
		Multicultural	Unicultural
Diversification strategy: degree of relatedness of firms	Related	Integration	Assimilation
	Unrelated	Separation	Deculturation

Source: Nahavandi and Malekzadeh, 1993: 67 (based on Berry, 1980, 1983)

Nahavandi and Malekzadeh note that "The cultures of the two merging partners - particularly their strengths and the level to which each tolerates diversity - constitute one of the main determinants of the course of acculturation." (4)

As applicable with all models, Nahavandi and Malekzadeh' approach can serve as a reference only. Such models may give an early indication of a suitable mode of acculturation but it is

argued that in practice situational aspects may call for modifications. The model is also grounded on the debatable assumption that all cultural preferences of the acquiring and acquired organisation are readily available at the outset of a merger – which may not always be the case. Furthermore, the model premises the existence of one unitary culture not considering that an organisation may consist of varying cultures and subcultures. It is also unclear whether the choice of any acculturation route prevents clashes, dissatisfaction among employees or job redundancies. In order to show its feasibility in practice the model requires further substantiation by research.

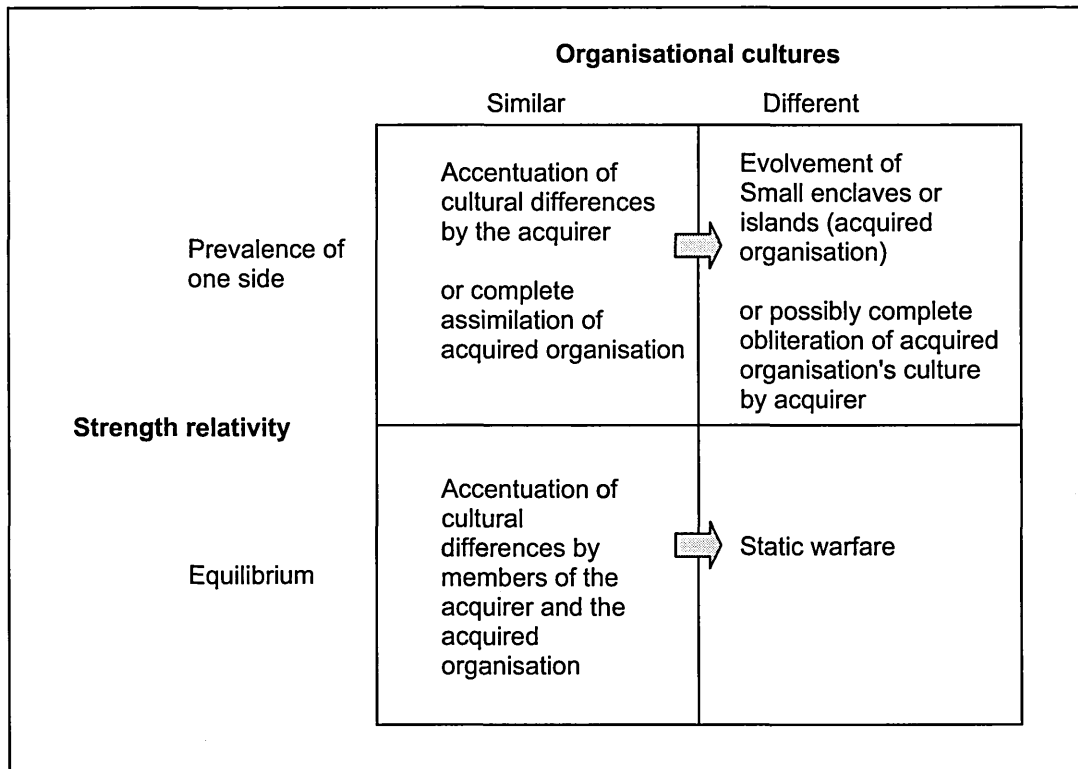
There is wide acceptance in the literature that dominant merger partners that value diversified organisational cultures ('multi-cultures') are more likely to accept and preserve the cultures of their subordinate partner. In contrast, 'uni-cultural acquirers' usually suppress cultural diversity; seeking to impose their own cultural values onto the subordinate organisation (Stahl and Sitkin, 2002; 2004).

In their survey study of the merger of two Swedish organisations Dackert et al. (2003) investigated how opinions differed between the organisational members in terms of their expectations of an upcoming merger. Their quantitative study, which was conducted prior to a merger, showed that the perceptions of the organisational members of their new colleagues' culture varied. While employees that belonged to the dominant partner expected very little changes in their work routines after the merger, the employees situated in the less dominant organisation perceived the merger as a potential threat to their identity; which in turn led them to emphasise their own cultural characteristics. Overall, there was the perception that the weaker group's culture would submit to the stronger one.

A model related to the identification of cultural difficulties is suggested by Berner (2002; 2004). He argues that any combination of cultures, regardless whether they are similar or not, is potentially problematic. In contrast to some previous assumptions, Berner contends that clashes are also common phenomena where cultures are similar and equally strong.

Berner's model is depicted below and illustrates how the similarity and size differences of organisational cultures are assumed to influence cultural rejection:

Figure 5.10 Cultural Development Model



Source: adapted from Berner, 2002: 16; Berner 2004, translation

Berner assumes that organisational members from the acquirer side become querulous and start to accentuate and amplify the differences between their own and the other culture irrespective of whether the disputes relate to pertinent or factual issues. The model suggests that when organisations of varying strength or size merge with an organisation with a similar culture, the stronger organisation (in most cases the acquirer) will accentuate its cultural differences and will probably assimilate the culture of the less dominant organisation. In cases where the cultures differ, some of the former members of the smaller organisation may 'retreat' and preserve their culture in small groups ('islands') in midst of the dominant culture. These island cultures will eventually disappear either through conflicts, expulsion or eventual extinction. As groups become more dispersed and subcultures die, the cultures will be assimilated into the dominant one.

If both organisations are equal in size or strength and the cultures are similar there is a danger that both cultures will accentuate their differences and eventually find themselves engaged in cultural clashes. This situation is worsened when both organisations are equally strong but have completely different cultures to which they rigidly adhere. Situations like these are assumed to lead to severe conflicts.

Berner's model provides warnings about potential pitfalls related to cultural similarities and differences. The model deviates somewhat from the dominant theory by arguing that similar cultures are just as susceptible to clashes as dissimilar ones. Although the model is based on consultancy experience related to merger integration it still lacks systematic corroboration.

The participants made frequent references to cultural differences between 'their' and the 'other' organisation. While there were no indications in regard to open clashes between the employees there were clear signs of subliminal frictions. Their own practices and routines were commonly preferred to those of the other organisation. People generally had a more positive perception of their former organisation. In most cases the participants were more occupied with making out cultural differences than similarities. Prejudices about the new colleagues were common; even after several years of integration activities. One participant stated that one of the first questions that one usually asked when meeting an unknown colleague was whether they were a former member of the acquiring or acquired organisation. While there were occasionally pointed remarks about the 'other colleagues' and certain evidence of prejudices, there was no indication of 'clashing cultures'. The interviews indicated that cultural differences were often overcome once people interacted together (once they actually worked together).

Most of the employees questioned indicated that they wanted to preserve their former culture after the merger; some taking reference to its familiarity while others stated that it had proven its worthiness. One respondent, a senior manager, on the other hand was puzzled that some employees in his department would not adopt 'positive' aspects of the other organisation's culture no matter how beneficial or advantageous they may be. He described this behaviour as an act of defiance and narrow mindedness.

Many reproaches recorded did not target the 'new colleagues' but were rather directed against superiors coming from the new organisation. Some employees reported that new superiors would tend to suppress employees from the 'other' organisation. These managers would "unjustifiably favour and promote former colleagues" (translation) and would try to sustain "previous ways of thinking and doing things" (translation). Interestingly, many references made about distinctive cultures were frequently accentuated by line-managers.

Structural changes may also inadvertently cause cultural frictions at interpersonal or group levels, Bijlsma-Frankema (2001) claims. Whilst structural changes are usually implemented in a relatively short period cultural transformation (process of acceptance) is more time-consuming. Lack of trust and a low willingness to co-operate with one another can be the result. Culture-structure frictions, Bijlsma-Frankema suggests, can impede productivity. These frictions promote undesirable behaviour (e.g. absenteeism, delaying work, deteriorating or faulty work results, quality decreases, negligence of duties). In conventional processes of cultural change a culture adapts to a new structure, for instance, due to strategy change. Essentially, this is a one

sided change process. In mergers the process goes a step further as this necessitates an integration of two different cultures into a new formation (two sided approach in which both groups need to adapt to one another).

As the structural and cultural time discrepancy appears to be unavoidable, one must therefore ask whether certain cultural conflict is unavoidable.

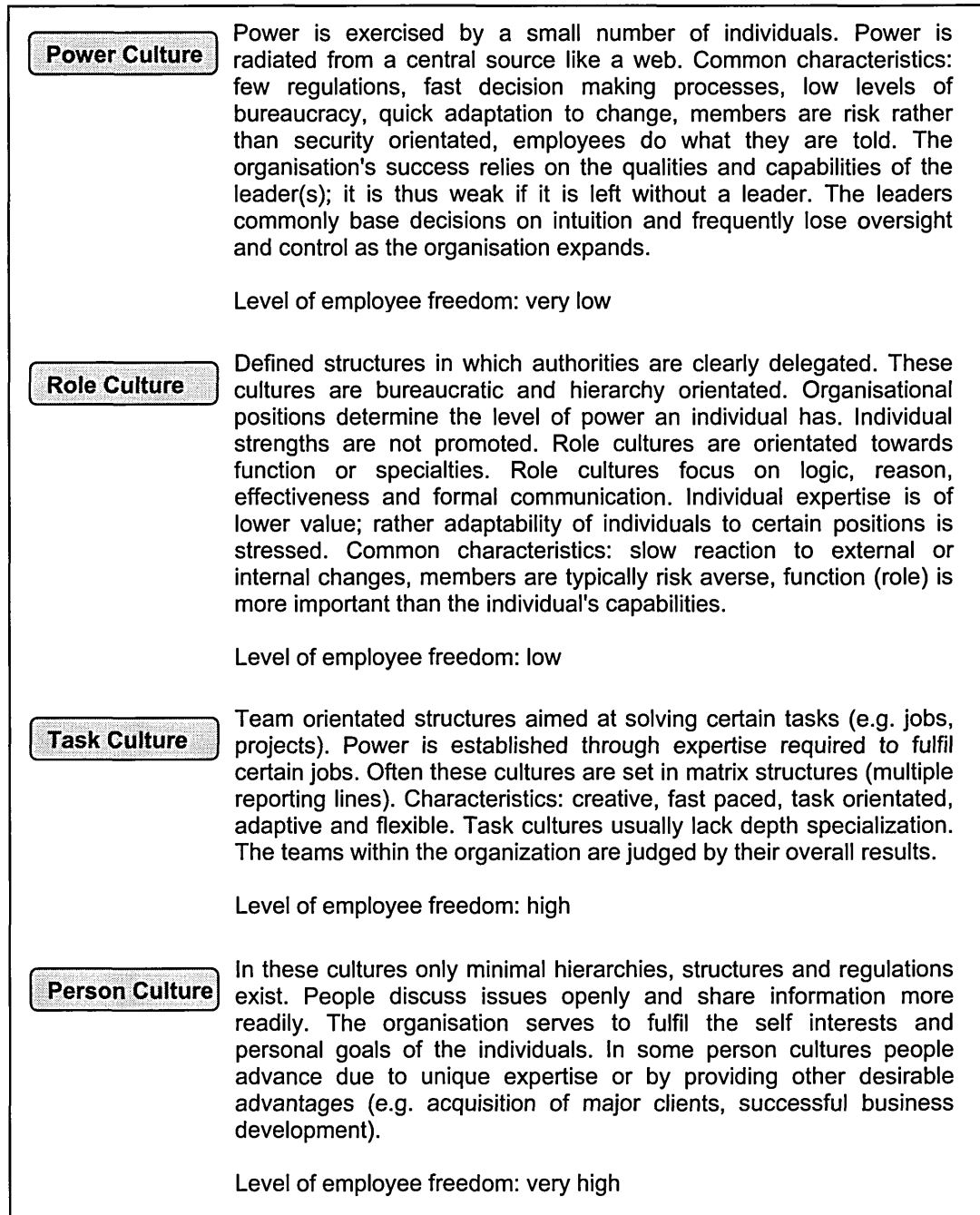
Contrary to previous research findings in which the success of the merger is frequently affiliated to factors like relatedness of organisation, their relative sizes and differences of nationality and culture, analytic research by Larsson and Lubatkin (2001) found that synthesising cultures can be achieved when 'social control mechanisms' are implemented. Larsson and Lubatkin argue that differences in organisational culture do not necessarily lead to conflict. Their findings revealed that employees will show more willingness to share their values or beliefs (acculturate) when they are involved in 'socialisation activities' or 'informal integration processes' such as induction courses, training, joint excursions or group festivities. Larsson and Lubatkin stress, however, that these shared social events should be undertaken autonomously, without any intrusion or intervention by management. In cases where autonomy is restricted, supplementary 'social control mechanisms' like job rotation, integration teams and senior management involvement are necessary. The authors warn that "neglecting these social controls, disregarding the legitimate beliefs of the acquired firm, acting like a conqueror and trying to impose acculturation through edict, will cause resistance" (1595).

The interviews suggested that managed communication events like internal merger-related 'get-togethers' or 'evening entertainment' provided by the organisation were generally perceived as 'propaganda'. Apart from being an opportunity to meet colleagues from one's own organisation who one already knew, these events were not regarded as a means of strengthening integration or reducing any uncertainties.

Some academics have examined organisational cultures from the standpoint of their type of culture (Handy, 1976, 1993; Cartwright and Cooper, 1992). Typically there are four main culture types found in organisations: 'power', 'task', 'role' and 'person' cultures.

According to research by Cartwright and Cooper (1992) employees will subscribe to changes more readily, if they perceive that the merger will bring them more freedom. While task and person cultures usually impose lower constraints on the employees, role and power cultures are prone to exert higher constraints:

Figure 5.11 Typology of Cultures in Organisations



Source: adapted from Cartwright and Cooper, 1992; Handy, 1993

Based on this typology, acquirers should consider whether two organisational cultures share enough in common to combine. There is no need to share the same type of culture but at least there should be sufficient consonances for harmonisation, Cartwright and Cooper (1992) conclude.

As Handy (1993) warns there is no ideal culture for an organisation. Imposing a certain culture onto another can be the cause for organisational demise: "not all cultures suit all purposes or people" (183). Considerations about organisational compatibility should therefore comprise thoughts about the individual's values and beliefs which in turn are conditioned by factors like historical development, tradition, macroeconomic conditions and geographical settings.

The typology of cultures provides acquirers with an effective tool for appraising their cultural fit with the potential acquiree. Key importance is thereby that the acquirer obtains a valid image of the culture of the desired partner. Ideally, this approach would therefore require some form of 'cultural due diligence' prior to the acquisition (compare Cartwright and McCarthy, 2005).

Jemison and Sitkin (1986) endorse that acquirers should use the pre-acquisition phase to evaluate their 'strategic fit' (analysis focussed on identifying the strategic and financial advantage of acquiring another organisation) as well as their 'organisational fit' (analysis related to the integration of people and culture) with the potential partner. The prudence dedicated to the testing of compatibility in the pre-acquisition phase will greatly contribute to the success of the subsequent integration stages, so their argument.

Some researchers have suggested that it may be impossible to blend cultures when their differences are too great (Schraeder and Self, 2003, Whalen, 2002). Managers should therefore assess the compatibility of the cultures prior to the deal. If there is no evident cultural fit, it may be wiser to retract (Cartwright and Cooper, 1992).

Recently, some Scandinavian academics have questioned the classic assumptions that essentially view culture as a homogeneous and stable structure (Gertsen and Sørderberg, 1998; Kleppestø, 1998). These advocates view culture as a social construction that is characterised by heterogeneity and varying influences. In their research study Gertsen and Sørderberg (1998) note that it is a mistake to view cultures as rigid frameworks that can be 'possessed' by any organisation; cultures are subject to gradual change as people leave or join certain groups. The perception of a culture is essentially determined by the background and standpoint of the individual observer. There can be no general descriptions of behaviour that describe a lived culture in its entirety. The multiplicity of people's underlying views and beliefs produce manifold appearances of culture throughout an organisation. Culture involves the construction of meanings between individuals within a situational context. Thereby, communication facilitates the process of culture creation and change. Gertsen and Sørderberg emphasise "that culture must be defined as cultural communities of meaning, created by people through communication with other people" (170). The interaction between the subjects essentially creates the culture.

Cultural differences and as well as communication problems often lead to cultural clashes within the workforce, Kleppestø (1998) claims. A cultural difference in itself, however, does not allow for predicting future cultural clashes. He stresses that the differences per se are not the

cause of misunderstanding but that clashes evolve as people engage in interaction – communicate with each other. Kleppetø affirms that communication evolves contextually it is not stable.

This section has shown that the cultural compatibility of the workforces represents a great concern for organisations and academics. Based on different assumptions several interesting thoughts on cultural differences and integration were presented. These models rely on the aggregation of organisational members' views which are subsequently grouped together based on meta-level commonalities – people's individuality and uniqueness is disregarded. While such an approach may be extremely helpful for initial integration planning it may not be suitable for all subsequent phases.

The author argues that in order to facilitate the integration of different cultures we are dependent on interaction. The interaction processes between the different subjects essentially produce what we take to be organisational culture. The research focussed on cultural integration should therefore put more emphasis on the way that people interact with one another. In other words we need to examine the deeper interaction processes that cause cultures to come into existence. Such an understanding of the underlying processes, the author argues, may facilitate subsequent attempts to integrate different cultures. Some of the recent contributions from Scandinavia may have taken a first step in this direction.

5.2.2 Identity

Another key issue within the cultural studies of mergers involves employees' tendency to identify with certain groups. As we will see identity building and interaction are closely related.

The concept of 'social identity' is based on the 'Social Identity Theory' developed by Henri Tajfel which can be defined as "that part of an individual's self concept which derives from his knowledge of his or her membership of a social group (or groups) together with the value and emotional significance attached to that membership" (Tajfel, 1978: 68).

The theory by Tajfel (1978) asserts that people have a natural tendency to categorise other people into certain groups. In addition, people also identify themselves as members of certain groups. This group association serves to enhance people's self-worth and helps them to understand and cope with their social environments. In most cases members of a certain group will compare their groups to other groups carefully delineating similarities and differences. In most cases people will favour or develop a positive partiality towards their own group (in-groups) compared to other groups (out-groups). If the association to a certain group is viewed as positive then this characteristic will reflect upon the group members. The group members will seek comparison with other groups and will look for characteristics that make their own group superior or more desirable than others.

It is assumed that people constantly engage in identity building and in this respect "individuals can have social identities that are chronically important to them and are used to lend structure and meaning to a whole range of situations" (van Dick et al., 2004: 5).

In contrast to 'social identity' where the person thinks as a group member; i.e. the situation "in which we judge ourselves as being similar to other members of our social groups" (4), 'personal identity' describes an individual's reflection of the self based on distinctive traits, qualities and properties, i.e. awareness of "characteristics as a unique individual" (Terry and O'Brien, 2001: 272). As with social identities people can also have a multitude of personal identities.

Both tendencies to think as a group member (social identity) and as an individual (personal identity) signify the 'self-concept'. Usually, people will have a positive mental perception about their self-concept (own existence).

Members of a certain group (in-group) place less emphasis on their distinction between other members of that group, while they emphasise differences between other out-groups, Terry and O'Brien (2001) discovered in their analytic survey study. Individuals who are members of a self-inclusive group seek distinctiveness of their 'in-group' over other 'out-groups'. In this process 'them' or 'us' perceptions (social comparison) evolve, this is done on joint ('we') rather than on an individual ('I') basis.

As people seek to have a positive self identity, Terry and O'Brien continue, they are constantly aiming to improve their social identity by seeking admittance to groups that are more recognised or perceived to be of a high status by other relevant out-groups (process of 'self enhancement'). Thereby, the identification to a group will increase when its perceived status is higher (compare Kleppetø, 1998).

"Because of the embedding of group membership in the individual's self-concept, an individual will, to a greater or lesser extent, think, act and have feelings consistent with the group's values and relative social standing. Thus, to the highly identified individual, violating the group's norms is like breaking a rule set by him or herself and, in the same way, the group's success is experienced as his or her own achievement." (van Dick et al., 2006: 70)

Reflecting on several studies van Dick et al. (2006) assert that employees who identify with an organisation develop a form of intrinsic motivation and commitment to their organisation. This form of motivation develops independently of benefits like advancement opportunities or financial compensation. Rather factors like shared pride, organisational association as well as recognition from colleagues strengthen motivation. On the basis of these assumptions externally imposed change efforts represent a serious threat to organisational members pertaining over a high degree of organisational identification.

Employees often cling to their former identity, Nahavandi and Malekzadeh (1993) argue. The threat of losing the former personal identity can therefore increase employees' susceptibility to stress (Nahavandi and Malekzadeh) or lead to confusion (Kleppesø, 1998).

The people use social identities as a reference for their own behaviour (Kleppesø, 1998). Based on a research study, van Knippenberg (2000) identified that a stronger organisational identification increased motivation as well as work performance. Furthermore, DeNisi and Shin (2005) claim that social identities help employees to reduce their uncertainties.

The extent of 'organisational identification' after a merger depends on continuity, van Dick et al. (2004) contend (compare van Knippenberg et al., 2002). Employees that perceive little change in their work routines are more likely to uphold their former organisational identification and will show more willingness to transfer it to the new organisation. Conversely the opposite will occur when employees are subjected to discontinuity (e.g. work relocations, cultural change, new leadership structures). As former group boundaries are dissolved, employees' pre-merger identification to the organisation will decrease. These effects of discontinuity are usually encountered in the organisation that is less dominant in a merger, as the dominant organisation is more likely to uphold and impose its own continuity and routines on the subordinate partner.

The strength of identity it is argued affects employee's attitude as well as their resultant behaviour towards their organisation.

"Strongly identified employees are more satisfied, less likely to withdraw, and more willing to put in extra efforts. Ensuring a sense of belonging among the workforce and providing a positive basis for employees' social identity is thus the key to the success of a merger." (van Dick et al., 2004: 16)

After a merger the affected organisational members will typically engage in a reconstruction of their identities with the new colleagues, for instance, by comparing their similarities and differences (Vaara et al., 2003; Kleppesø 1998).

"On the one hand, merging involves a need to construct one's own identity in relation to the other party, that is, images of Us and Them. On the other hand, identity-building in the merger setting involves constructions of common identity in the new organization, that is, images of the Common Future." (Vaara et al., 2003: 420).

Thereby, one should keep in mind that employees have varying perceptions of cultural differences and that they rate these with more or less significance (Gertsen and Sørderberg, 1998).

Organisational identification can also vary between the members of a merged organisation. Survey based research by van Knippenberg et al. (2002) revealed that the more dominant pre-

merger subgroups were more strongly involved in maintaining or defining the identity in the new organisation compared to their colleagues from the dominated pre-merger subgroup.

One of the challenges of major change is that organisational members need to 'dis-identify' with their previous manifested perception and 're-identify' with the new one as Chreim (2002) discovered in her text analysis which analysed two cases of major change. At this stage, employees need to be convinced not to hold on to former beliefs, values and work routines, they now need to identify to the new attributes of the changed situation. Previous identifications that served to fulfil former organisational goals now turn into a hindrance. Organisational identity change therefore necessitates guidance by the management:

"identity needs to be modified during organizational change, rendering members' previously desirable enactment dysfunctional in the new situation. For organizational change to take effect, it should be appropriated by members and therefore must be accompanied by change in members' identification." (Chreim, 2002: 1118)

Chreim takes references to several studies that revealed that organisations frequently use two specific communication tactics in order to guide employee identification.

Association tactic: or also known as 'common ground technique' in which the organisation seeks to create a bond to its members. Thereby the organisation uses a tactic in which it advocates that the organisation has the same values and aims of its employee, offering its member an identity to assume and share. These association tactics involve showing employee concern and care. Methods of 'association' include praising employee achievements, endorsing and approving the adoption of collective beliefs, emphasizing employee benefits provided by the organisation, passing on praise by external third parties, promoting employee tributes of the organisation, etc. These tactics can also be implicit in that shared interests are subtly communicated e.g. the deliberate and frequent use of communal language styles like "we" or "our" in certain communication. Other elements include 'invitations' or situations in which employees are asked to join a certain group or 'bragging' in which devotion to specific 'competence' is advocated.

The second approach is called 'dissociation tactic'. Thereby certain threats related to the interests of the organisation and its members are communicated. This tactic is used in order to strengthen internal unity and to increase employee eagerness to fight off any imminent threats.

Chreim asserts that both tactics are useful for instigating identification change. Changing social identity at the micro level can be achieved through "language-based" communication by management at the macro level. Therefore, language and rhetoric are seen to be a significant issue for conveying and shaping 'reality' during change.

Managers also often use forms of 'legitimation' to influence and persuade the employees to support merger-related change. Legitimation is defined as "any procedure by which something that is, is made to appear as something which should be" (Luckman 1987: 110, quoted from Demers et al., 2003: 224). It involves symbolic and discursive exchanges in which the current and desired situation is justified and sustained:

"The joined organizations are often radically transformed and major reorganizations including streamlining and lay-offs can occur. Legitimation is particularly needed in that context to explain and justify change, to entice employees to contribute to its implementation, and give them a new vision of the organization with which they can identify." (223-224)

Demers et al. (2003) stipulate that in order to gain consent and agreement some organisations promise prospective advantages: more power, they articulate goodwill to employee expectations and they promise support by abiding to manifested beliefs and practices. However, there are also indications that some organisations use manipulative forms of communication involving mechanisms like insincerity, vagueness, decoupling, reframing, introducing 'new' labels and symbols for old practices, suppressing former styles of communication (dialogue or former discussion practices). A critical evaluation of the literature by Willmott (1993), for instance, showed that some leaders attempt to manipulate their organisation's culture in order to conceal conflicts or in order to suppress opposing interests.

Overall, clear and honest communication is recognised as playing an important part in securing organisational identification:

"Such communication should address all issues of potential job losses but also consistently stress the positive elements of the merged organization to foster identification with this new object. Thus, communication and continuity are both appropriate means for managers to make a merger more successful." (van Dick et al., 2006: 77).

Several noteworthy studies have examined identity building issues in mergers and acquisitions.

Bartels et al. (2006) conducted an experimental case study that showed that departments with low levels of social bonds would have the greatest problems of identifying with the new organisation. Their study examined the 'quality' of information and the way that it affected the organisational identification of the employees who were directly affected by the merger. "The more they [the directly involved] were satisfied with the information and the more they felt they were involved in the decision-making, the higher their expected identification." (63, bracket added). Essentially, this study equates merger communication to information conveyance i.e. the way people rate the information that they receive.

Identification with a new organisation is frequently achieved through shared experiences, as Hofstede's (1980) study suggests. In order to realise organisational integration a dominant subculture with a common identity should be promoted by the management. By implementing new symbols to which both cultures can relate, managers can implement a feasible means of securing psychological affiliation and joint experiences. Former symbols of the former organisations are thereby purposely relinquished. This finding is supported by Cornett-DeVito and Friedman (1995) who found that organisational actions with a symbolic magnitude exhibit strong levels of integration effectiveness.

In a recent qualitative study of two merged accounting firms in the UK, Empson (2004) found that the initial organisational identification differed substantially between the members of the former entities. The study suggests that organisational identity is not static but evolves as the merger progresses. In some cases employees would accept elements of the other organisation's identity when they felt enhanced by the other organisation's positive attributes. Essentially, these employees modified their individual self-concepts by re-identifying with certain habits and practices of their new colleagues.

Identity building is thus in a process of constant redevelopment. Based on their findings of a metaphoric analysis of a Scandinavian merger, Vaara et al. (2003) concluded that cultural developments in organisations as well as related identity building processes are difficult to grasp and should not be viewed as rigid concepts. In their view cultural-identity building processes represent complex social constructions:

"Rather than simplistic or stable constructions, these images are produced in a process of interpretations that not only deals with the actors' first-hand experiences, but also involves reconstruction of historical stereotypes, myths and legends from different social domains." (420).

Gertsen and Söderberg (1998) maintain that communication is an important means of harmonising different cultural identities. They state that:

"the integration process must also be seen as a communicative process, where groups in the companies express varying interpretations of what characterizes their distinctive or joint cultural identity." (191)

Kleppetø (1998) also links aspects of identity building to communication issues. He asserts that people use communication to develop their social identities, i.e. create their sense of belonging or their place in a group. Thereby, employees will evaluate their images of the self and their social identity in comparison with their new colleagues. Interaction is thereby based on the sharing of meanings between the individuals.

From this viewpoint people express themselves in terms of their identities (or membership) to certain groups. In this process meanings related to group relations are constantly shared (socially constructed) with others. The sense of the self is thereby inseparably tied to the sense of others. In other words the way that one views oneself impacts on the way that one views other individuals.

"Identity is better understood as a product of the social construction of meaning. People, as well as organizations, are constantly trying to establish some meaning in the world they live in. This emphasizes that not only do we, together with others, create the world around us, we create ourselves in a public effort with others. Our identity is therefore not a question of what we are, but of what we become as we try to make sense of the world in general, and of the particular situations at hand." (150)

Kleppeto argues that communication must be seen more holistically compared to conventional perspectives. He states that people's entire actions need to be regarded as a form of communication. In essence, communication helps the organisational members to understand their situation and to strengthen their sense of belonging to the organisation. When people communicate they are involved in a constant recreation of perspectives, relationships and identities. Communication is thus the foundation of identity building.

"By interacting with individuals in our environment, we create and recreate our understanding of ourselves and our place in the situation at hand. On a pragmatic level this is about communication with significant others about how the situation should be defined or interpreted, how various actors should relate to the situation, what the future might look like, and how it is linked to history." (ibid: 152)

In his study of communication processes in mergers, Kleppeto follows suppositions of communication proposed by Watzlawick et al. (1990) (compare the similar stance taken by Gertsen and Soderberg, 1998). He concludes that messages are simultaneously conveyed at two levels:

1. 'Content level': factual messages or information that people wish to convey or report, relating to the 'content' (subject matter) of the messages.
2. 'Relationship level': messages that people use in order to build relationships with others.

In mergers, the interaction on the relationship level seems to pose the most difficulties in regard to integration and frequently leads to cultural mismatch. Communication related to pure content seems to gain acceptance more easily. Kleppeto asserts that most communication is viewed under the value of its relational significance even if it was intended as content related information only - hence the likelihood of misunderstanding rises.

"It seems as if most messages, no matter what the intention of the sender, are received as relationship messages. Otherwise not even trivial messages are taken at face value; instead, they are closely scrutinized for 'hidden' messages." (163)

Communication is also complicated by the fact that it is difficult to delineate in terms of its exact beginning and end; it is thus in a state of constant flow.

People frequently blend content and relational communication. Thereby, two forms of communication signs are typically used:

1. 'Digital signs': whose meaning is understood as having a fixed meaning, usually these signs have been agreed upon on a broad basis or are socially accepted terms – understood without contextual support.
2. 'Analogic signs': whose meaning can vary from individual to individual. These signs are interpreted based on the context they are used in.

While digital signs are usually understood and interpreted as intended, analogic signs are prone to cause more misunderstanding. The misinterpretations of analogic signs seem to cause the most difficulties during a merger, Kleppestø asserts.

Kleppestø notes that during the integration process both partners will carefully assess the actions of the partner in order to build a new identity:

"there will be an exchange of descriptions of the situation at hand – my understanding of myself, my understanding of you, my understanding of you seeing me, etc. – in a theoretically endless regression." (Kleppestø, 1998: 164).

The adoption of the concept of social identity has advanced research in the mergers and acquisition field. Especially, the emphasis on interaction activities has received more attention in this context. We have discovered that communicative activities between the organisational members are used to construct social frameworks. These frameworks help the individuals to delineate themselves with as well as against others: helping them to define meanings, values and beliefs. Additionally, social identification processes require a stronger focus on individual relations; they move away from the more distanced perspectives of passive audience treatment described in previous sections.

Especially, the findings by Kleppestø, Gertsen and Søderberg provide an alternative standpoint. Viewing communication from a social constructionist perspective provides a more holistic approach as it allows for the identification of more abstract processes related to interaction, cultural friction and identity building. Communication is no longer regarded as a tangible or static structure rather it is conditioned by context and the interacting individuals who create joint social realities and who share meanings.

While these alternative perspectives provide interesting aspects of underlying communicative processes there are still some shortcomings. There is still only limited explanation of the occurrences in people's minds and their affect on mutual meaning creation. Hence, many underlying aspects tied to the sharing of meanings remain open for further investigation – there is still no overarching framework that explains merger communication. Until now only minor reference has been taken to the limitations of human communication; e.g. elements that get lost when people interact and the subsequent implications for sharing what they mean. The reliance on the communication model by Watzlawick et al. (1990) also confines the angle of perception to content and relationship-oriented interaction. While this assertion is not considered to be wrong, further relevant aspects related to interaction may not be considered. The author also questions whether subjectivist ontological assumptions commonly followed by subjectivists reflect reality in an appropriate way.

The interviews showed that organisational identity was valued by a number of participants questioned. Several employees as well as senior managers of an acquired accounting firm indicated that they had valued and identified strongly with their former organisational culture. Some described their former culture as a 'sacred community' or as a 'second family'. Anyone that wanted to join this 'elite circle' had to adopt the unwritten rules and ways of doing things. The former culture was described as a 'retreat area' or a 'haven' in which the members could reassess their values and beliefs – if needed. The people described situations in which they were 'gently' guided in regard to their thoughts, feelings and behaviour. The participants stated that there was no perceivable force to adopt this culture and the values attached to it but that everyone essentially subscribed to this form of thinking as it supported them in their daily work. Many of these respondents bemoaned their old culture stating that it was superior to the culture of the acquiring organisation.

Some interview participants who had been based in an acquired organisation indicated that that they had difficulties in identifying with their new organisation. The espoused values propagated by the new organisation were in some cases described as 'fabricated', 'artificial' or 'propagandistic'.

5.3 Different Views on Communication

"After all, when you come right down to it, how many people speak the same language even when they speak the same language?" (Russel Conwell Hoban)

At this point the dominant theoretical concepts of communication are scrutinised in more detail.

Communication theory in management has its antecedents in different branches of science. Depending on the field of origin, different foci have evolved. The contributions illustrated below reflect some of the primary origins and issues of interest.

Figure 5.12 Contributions to Communication

Psychology	Sociology	Anthropology
Focus on <i>personality</i> . Communication addresses intrapersonal and interpersonal relationships	Deals with <i>social systems</i> . Involves communication issues related to individuals, groups, and society	Analyses aspects of <i>culture</i> . Key interest are beliefs, views, identity as well as knowledge

Source: adapted from Varey 2000b: 5; Varey 2002b: 3

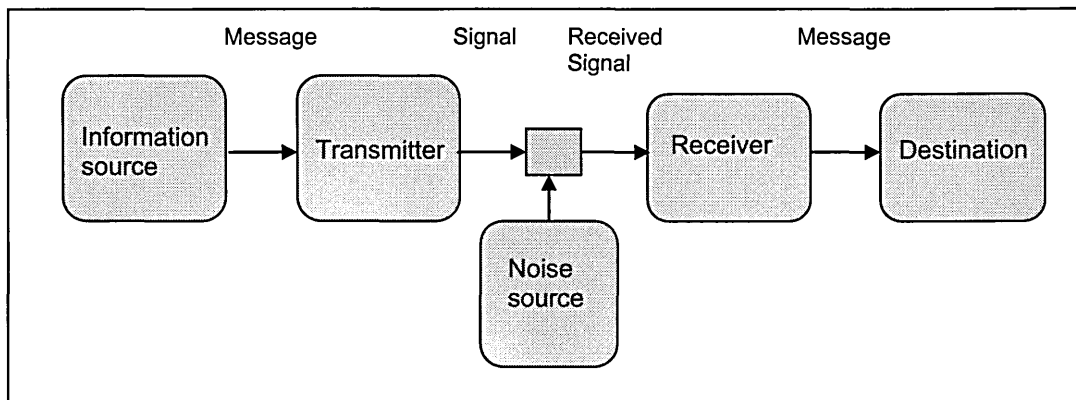
Other origins of communication research include linguistics, philosophy or biology (Varey, 2000a).

Shannon and Weaver (1949) define communication as the transmission or 'carrying' of information. According to their pioneering model, communication involves:

"all of the procedures by which one mind may affect another. This, of course, involves not only written and oral speech, but also music, the pictorial arts, the theatre, the ballet, and in fact all human behavior" (95)

Their model suggests that communication starts with a source that encodes information which is sent to another individual who then decodes the message. Thereby, information 'transmitters' and 'receivers' must have compatible systems in order to allow communication to occur. In the course of this process, different perceptions can evolve (e.g. through 'noise' in the communication channel or medium). These distortions in the channel can cause misunderstanding.

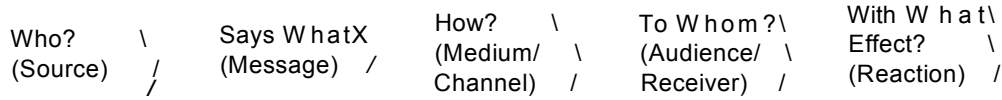
Figure 5.13 Shannon and Weaver's Model of Communication



Source: adapted from Shannon and Weaver, 1949

A similar linear model of communication was developed by Laswell (1948), whose model focuses on 'mass communication' and 'propaganda'. According to Laswell, the communicator or source acts as a transmitter or sender of the message.

Figure 5.14 Laswell's Model of Communication



Source: adapted from Laswell, 1948

Laswell concentrated mainly on content research involving statistical analysis, for instance, looking at the number of occurrences of a particular event in a specified population.

Another communication theorist, Schramm (1948) eventually developed what became known as the 'silver' or 'magic bullet' theories of communication. These models were conceived for 'injecting' propaganda into the individual on a collective basis (i.e. mass communication). His theory entailed the presumption that the communication message was 'shot' like a 'bullet' from the sender via a mass medium like television or radio to individual receivers. The receivers on the other hand were regarded as a passive audience that could be influenced into performing a desired activity.

The 'founders' of communication theory viewed communication as a process of 'transmitting' information; their models relied on a source, message, channel and a receiver. All of the early communication models draw on an encoding-messaging-decoding process (a message is encoded by the sender, sent, and decoded by the recipient).

According to Hartley the early communication approaches view their audiences as too submissive. Furthermore, words used in communication are far more vague, unclear and imprecise than the sender would assume. Communication is perceived "as a one-way activity based primarily on the skills of the sender" (Hartley, 1999: 17). The recipient of information is intentionally and passively subjected to external stimuli. It is, as Hartley stipulates, the assumption that 'effective expression' is the same as 'effective communication'.

Later the 'bullet theory' also became known as the 'hypodermic needle theory' (Klapper, 1960). Klapper's theory essentially followed suppositions of the linear, transmission-oriented models. These models presuppose that mass communication had profound effects on the thoughts and on the behaviour of the individuals exposed to it. Klapper, however, suggested that mass communication was not solely responsible for changing certain conditions. In contrast to other authors of the time, Klapper argued that there are 'mediating factors' or 'influences' that jointly contribute in changing the perception of the audience. Mediating factors include personal values, beliefs, and perceptions, degree of exposure as well as group customs and rules.

Succeeding models continued to adopt the 'source', 'message', 'channel' and 'receiver' approach of the earlier models. Berio's (1960) S-M-C-R model, however, provides more focus

on the relationship between the sender and the receiver; incorporating aspects of human nature. He emphasises that communication is based on communication skills, knowledge, social systems, culture and attitudes of the subjects engaged in communication. He argues that the development level of the communication skills of the sender and the receiver directly affects just how effectively the message will be encoded and decoded. Berlo's model recognises subjective factors like individual perception, experiences, interests, senses, prejudices and intelligence. Additionally, Berlo's model does not make any predictions about the likely success of communication. Others scholars like Maletzke (1963) also put more emphasis on subjective issues. Like Berlo, Maletzke focuses more on the interaction between the sender and receiver. Points of emphasis include the self-image, personality structure and social environment as well as the perception that the sender and receiver have of one another.

Over the last few decades, some criticism of the 'linear' based models has surfaced. Reddy (1979), for instance, questioned the applicability of concepts that presuppose information 'transmission' or 'transportation'. He stipulated that communication between humans should look at 'meanings' – something that classical transmission models did not deal with. In what he calls the 'conduit metaphor', Reddy argues that the transmission models treat ideas just like objects that are turned into words (packed in a container) and which can be sent via a 'conduit' from one person to another. The objects (ideas) are then taken out of the container by the receiver. Information is essentially treated as an object. The receiver is faced with extracting the same ideas out of the words that were put into them by the sender. Reddy points out that the problem lies in putting meaning into words and getting the other person to understand the meaning within those words.

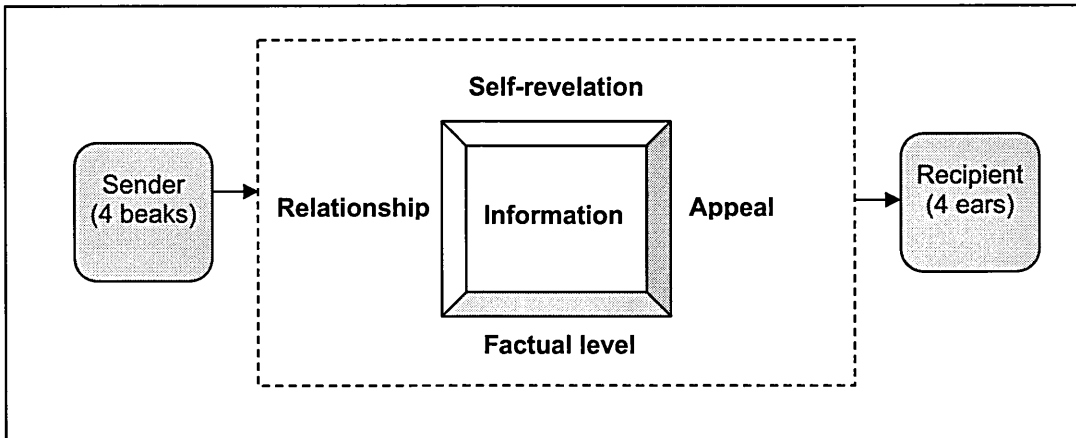
The classical models mistakenly assume that thoughts and feelings can be converted to language, Conway and Varey (2001) argue. Words (constituents of language) act as a carrier of the feelings and thoughts. In the conventional models it is falsely reasoned that after the words reach the passive recipient (or audience) they are extracted and convey the meaning (initial thoughts and feelings) that the sender initially put into them.

More recently, communication theorists like Watzlawick et al. (1990) have stipulated that communication involves language, contexts and all other behaviour. They argue that communication occurs on two levels: the content (factual) level (what is said) and the relational level (how something is said): "Communication = Content + Relationship" (Griffin, 2003: 174). Content related communication focuses on factual information or messages that people exchange with one another while relationship communication deals with the perceptions that the interacting subjects have of one another. Watzlawick's model has broadened the understanding of communication by inferring that certain communicative processes are detached from mere information exchange. From this standpoint, communication also comprises relationship building elements. The extent to which factual or relationship oriented

communication dominates a communicative act is thereby conditioned by the context in which the communication takes place.

Incorporating elements of Watzlawick's model, communication theorist Schulz von Thun (1981) developed the so-called 'four beaks' and 'four ears' model:

Figure 5.15 Communication Square



Source: adapted from Schulz von Thun, 1981, translation

Although essentially based on assumptions of information conveyance, this model broadens communicative understanding further by incorporating emotional aspects linked to human interaction. It differentiates between four levels of interaction that are addressed during communicative acts:

1. 'Self-revelation level': describes what one reveals of oneself (based on personal awareness and self assessment). Announcements of the sender can be implicit or explicit (unwanted/ unconscious or intentional/conscious announcements). These signals provide the recipient with indications about the sender's personal state, role, assumptions, feelings and commitments. This level essentially provides indications about the sender's personality.
2. 'Factual level': describes the information as such (data, facts and issues). Here the sender concentrates on aspects like truth (appropriateness), relevance (importance) and sufficiency of the information. Importance of the recipient lies in having intelligible information that the subjects can relate to.
3. 'Relationship level': deals with how the sender perceives the recipient and vice versa (association and position). This relationship can be accentuated by the wording, tone, accent as well as facial or other body expressions of the sender. Depending on people's sensitivity, these gestures can be under or over-interpreted. Based on these signals and his or her own personal susceptibility, the recipient draws conclusions on

how he or she feels treated, what perception or opinion the sender may have of the recipient or how the sender may hierarchically stand to the recipient.

4. 'Appeal level': specific intention or aim of the sender (desired outcome of communication). Influence that the sender seeks to induce on the recipient. This activity can be conducted openly or in a concealed manner. It involves the sender's intention to achieve or enforce pleas, wishes, advice, suggestions, instructions or behaviour guidelines. The recipient on the other hand will consider his or her feelings, thoughts and reactions.

Schulz von Thun, who has conducted extensive research in the field of communication, exemplifies that factual transmissions are only one out of four prime constituents of human communication. The other three described constituents involve underlying thought processes of the interacting subjects.

Authors like Mantovani (1996) emphasise the need for a stronger focus on relational or circular models that employ interactive processes to create shared meanings. Communication requires "a shared symbolic order in which action becomes meaningful, and so generates meaning" (106).

Communication is a continuous, interactive construction of views and opinions (meaning), Pearce and Cronen (1980) stipulate. Meaning, they argue, is therefore not based solely on transmitting words. Their theory of 'Coordinated Management of Meaning' follows "the assertion that persons-in-conversations co-construct their own social realities and are simultaneously shaped by the worlds they create" (Griffin, 2003: 66). The theory premises on ideas of social construction in which social reality is jointly created, people share a 'coherent' or joint account of the world; "a meeting of minds" (79). At the same time people are formed by the realities that they create. When people in conversation have similar interpretations they can reach a certain status of 'coherent' meaning.

There is growing indication that mechanistic, transmission-oriented or 'scientific' approaches are inadequate to explain human relations. Social communication is instead more reliant on organic, ritually-oriented and interpretive approaches (Varey, 2000a). The research community must therefore question whether its way of enquiring into the way communication works is suitable:

"The great majority of empirical studies treat language in a simplistic, uncritical and misleading way. Efforts to produce and check reliable measures rarely involve any deeper reflections on the nature of language." (Alvesson and Karreman. 2000, quoted from Kitchen and Daly, 2002: 50-51)

Human communication is a complex social construct and it seems that many texts in the merger and acquisition literature frequently disregard the complex underlying meanings that it creates. As Varey (2000a) points out, research has indicated that Schramm's communication theory is still widely dominant in many communication textbooks today. Consequently, one needs to question whether current assumptions commonly identified in the literature are founded on adequate assumptions.

5.3.1 Transmission versus Cultural Approaches

Essentially, communication in management research has seen two main patterns of thought evolve over the last decades. There is the so-called 'transmission model' that is rooted in North-American research as well as the 'cultural model' which finds its origins in European studies (Carey, 1989; Grossberg et al., 1998).

The 'transmission model' creates understanding by transporting messages or meanings via a medium from one person to another, as Grossberg et al. (1998) note. As described in the previous section this presupposes an understanding of communication in which information is sent from one person to another (moving content). Transmission models generally involve the linear transaction of information, although some models also have circular elements.

According to Grossberg et al. (1998) the 'cultural model' is understood as a participatory act or dynamic process where ritualistic, 'taken-for-granted' codes and rules are interpreted. Cultural models involve interactive elements and assume that shared 'culture maps' are produced and constantly reproduced. These 'culture maps' have evolved through language, interpretation, as well as sense and view-building. From a cultural perspective, communication is viewed as being in a state of constant transformation. People live in a socially constructed world in which 'shared views' (mutual understandings) are continuously produced and reproduced. In this way, people are conditioned by their surrounding cultural context. In many cases people will be unaware of the underlying influences guiding their lives.

According to Carey (1989), "Communication is a symbolic process, whereby reality is produced, maintained, repaired and, transformed."(23) Carey emphasises that the transmission model is primarily concerned with dealing with issues like efficiency and regulation, it is "formed from a metaphor of geography or transportation" (ibid: 15) involving "the transmission of signals or messages over distance for the purpose of control" (ibid: 15), whereas the cultural ('ritual') model assumes and is based on understanding rituals in collective cultures: "A ritual view of communication is directed not toward the extension of messages in space but toward the maintenance of society in time; not the act of imparting information but the representation of shared beliefs" (ibid: 18).

Both concepts are also based on different methodological backgrounds, Varey (2002b) adds. The transmission models are mainly involved in message construction, processing, response

and consumption. Their focus lies on researching the effect of a stimuli sent by the sender and measuring the response by the receiver. Furthermore, their scientific approach is usually quantitative, focussing on verifying cause and effect relationships via analytical surveys or experiments. Transmission models typically apply statistical and mathematical data analysis techniques. Generated answers are also often quite specific in their nature, Varey adds. The cultural models, on the other hand, enquire into cultures, rituals, sense of social environment as well as joint systems of meanings. Research in this field, Varey continues, is mostly qualitative, seeking to explore and interpret behaviour patterns and social environments. These models often adopt research methods like ethnography and text interpretations. Culturally-oriented communication models are more concerned with studying individual values and beliefs.

Varey (2000a) criticises management literature that predominantly adopts outdated linear models where communication is "widely taken to be the transmission of information and the reproduction of intended meanings" (328). He argues that these models are misleading and that they support power-based communication. He stresses that these models fail when it comes to addressing constructive decision-making processes within organisations. "Communication cannot be understood without reference to knowledge, understanding, information, meaning and sense" (ibid: 329). Varey points out that the idea of a 'conduit metaphor' implies that information and meaning are like a physical good that can be transported; as something which exists independently of people. A rejection of the 'conduit metaphor' lets us:

"see that the study of communication is the study of how we make the world in which we live our existence - our dominant communication models trivialise this." (Varey, 2000a: 335)

Varey accentuates that transmission models presuppose fixed social divisions; they take concepts like meaning, identities and values for granted. Communication cannot rely on ordered and predictable systems. These information transportation models create imaginary, homogeneous social worlds and falsely assume that they are real.

As Conway and Varey (2001) point out, communication is more than a two-way sharing or exchange of certain information; it denotes a form of shared interpretation resulting from interaction. Varey (2002b) adds that communication is a "common construction of meaning" (3). Communication is thus more than simple interaction (e.g. through feedback) it represents reciprocal relationships in which people engage in a shared realm (consciousness) in which they continuously relate to one another, a form of interdependence grounded on common beliefs and rules and accompanied by adaptation processes as the exchange evolves.

"Communication is not some thing produced by people as a means to an end, rather communicating is people interacting – the mode of constructing identity, meaning, and knowledge." (Varey 2002b: 6)

According to Varey (2000a), communication is an interactive approach involving social construction, in which the social world is seen as a "complex set of inter-related social phenomenon constructed by people in interaction, i.e. in joint social action" (2000a: 328). He advocates that communication research should draw on 'relational' categories in order to explain human interaction; consequently he favours a more complex and holistic approach. Communication should incorporate linguistic and interactive elements: these are necessary for enquiring into social, political and cultural issues. Necessary constituents to be analysed include knowledge, understanding, information, meaning and sense. Both models are contrasted below:

Figure 5.16 Two Perspectives on Human Communication

Transaction	Interaction
Expression across boundary, beyond (I), over to (other/you)	Reciprocal, mutual relation 'among'/'between'

Source: Varey, 2000a: 335

While the transmission approach presupposes that "Communication is an intentional act of objective informing", (Varey, 2000b: 16) it is argued that "Communicating is a state of transformational intersubjective consciousness" (16).

In order to define our own existence we must first define our own self, Varey (2000a) contends. People's conception of their self essentially conditions their view on communication. The figure below illustrates different conceptions of self based in either a western or eastern cultural background.

Figure 5.17 Cultural Differences

	Western Cultures	Eastern Cultures
Conception of the Self	Separateness: self-definition as a self-sufficient, bounded, detached/separated, autonomous, unique, individualistic entity. Achievement is sought through self-expression and competition (control).	Connectedness: self-definition as part of an independent, communal/collective, conforming, and connected in relationship with others. Affiliation is sought through modesty and co-operation.
Conception of Communication	Low context, objective communication – words are	High context, subjective communication – messages are

	taken to convey meanings, independently of context. Communication is <i>informational and transactional</i> .	understood in their context, including the relationship between communicators as it emerges and develops (democracy). Communication is <i>transformational and interactional</i> .
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Source: Varey, 2000a: 334, emphasis in original

Carey (1989) warns that "communication is not some pure phenomenon we can discover; there is no such thing as a communication to be revealed in nature through some objective method free from the corruption of culture" (Carey, 1989: 31). Communicating is a symbolic process that can be misleading. People presuppose that others have a common usage and understanding of the same symbols when they interrelate; this may be illusory. Carey notes that: "We first produce the world by symbolic work and then take up residence in the world we have produced. Alas, there is magic in our self-deceptions" (30).

In epistemological terms it becomes evident that transmission-oriented communication is deeply rooted in positivistic philosophy, this especially pertains to rationalist traditions propagated for example by Schramm (1948) or Shannon and Weaver (1949). The transmission models essentially represent a transfer of scientific research methods of the natural sciences into the social sciences – frequently drawing on the analysis of event relationships. Models of shared meaning (cultural approaches) on the other hand are embedded in more hermeneutic philosophies that endorse interpretation.

Based on Deetz, Griffin (2003) contends that 'objective' theorists stress effectiveness (emphasising persuasiveness and successfulness of information or meaning transportation) whilst 'interpretive' theorists tend to subscribe to participation approaches (collective decision-making, diversity, self-determination, voice as well as openness to new ideas).

Stimulus-response models like the transmission models appear problematic as they may be too simplistic in their approach. It is argued that transmission models may explain what effect a certain message has on the 'information recipient' but they do not explain why. There are indications that communication is less about moving information but rather involves sharing understandings, meanings, perceptions and opinions.

Although communication is still predominantly advocated in the transmission style, there have been moderate shifts to employ cultural models in social research (Varey, 2000a). This trend is also visible in some of the literature reviewed for this study. As indicated earlier, there have been studies mainly from the Scandinavian region that have based their research on communicative assumptions related to meaning creation (Gertsen and Söderberg, 1998; Kleppstø, 1998, Larsson, 1990, Larsson and Risberg, 1998; Risberg, 1997) and social

construction of reality (Gertsen et al., 1998; Gertsen and Søderberg, 1998; Kleppestø, 1998; Vaara. 2000, 2002, 2003).

Paradoxically, a number of respondents frequently used terms associated with transmission approaches (e.g. information, message sending, channel, decoding, encoding). However, when asked to provide more insight into their experiences of certain events, these interviewees essentially described communicative situations that would correspond more to cultural interaction (sharing views or meanings). Frequent reference was, for instance, taken to opinions that certain colleagues would share, there were also repeated references to the complexities of human communication as well as communal activities related to culture creation.

5.3.2 Distorted Communication

Communication theorist Stanley Deetz (1992, 1995) adopted cultural models which focus on human interaction. Following philosophical assumptions of critical theory (compare Habermas, 1971), he agrees that people create shared social realities. Deetz defines communication as participation in constructing identity, meaning and knowledge; not the transportation of knowledge and information. In his view communication is an "ongoing social construction of meaning" (Griffin, 2003: 287).

Social reality is shaped by the 'principal medium' of language. Language does not refer to things that exist but is rather used to shape our perception of social reality. In his theory, Deetz assumes that "language [is] the principal medium through which social reality is produced and reproduced" (Griffin, 2003: 287, bracket added):

"Language does not represent things that already exist. In fact, language is a part of the production of the thing that we treat as being self-evident and natural within societies." (Deetz, 1995: 129, quoted from Griffin, 2003: 287)

According to Griffin, Deetz rejects dominant models like the 'transmission models' of communication. Deetz (1992) has argued that the 'conduit metaphor' of communication is institutionalised across society in order to sustain corporate dominance and control.

Many people, Deetz states, find comfort in accepting an independent reality. "There's an intuitive appeal in the idea that words refer to real things – that by using the right words we can express state-of-the art knowledge" (Griffin, 2003: 286).

Multinational organisations use communication as a means to shape and control society, Deetz claims. Communication is frequently used to perpetuate the maintenance of corporate dominance which is undemocratic. Deetz claims that some organisations are more powerful in influencing an individual's lives than the church, state or even the family. This form of

'colonisation' or suppression decreases the quality of life people have as well as their living standards.

"The modern corporation has emerged as the central form of working relations and as the dominant institution in society. In achieving dominance, the commercial corporation has eclipsed the state, family, residential community, and moral community. This shadowing has hidden or suppressed important historical conflicts among competing institutional demands. Corporate practices pervade modern life by providing personal identity, structuring time and experience, influencing education and knowledge production, and directing entertainment and news production." (Deetz, 1992: 2)

Deetz asserts that multinational corporations subtly engage in creating views and beliefs. Views and values are often created through distorted communication by the corporate management in order to enforce power and to control society: "All corporate information is an outcome of political processes that are usually undemocratic and have consequences that usually hurt democracy." (Griffin, 2003: 286).

Varey (2000b) picks up Deetz's argument, stressing that many organisations seek to avoid employee dissent and actively suppress any forms of potential dispute and contradiction with 'discursive closures'. Thereby, the leaders of the organisation engage in 'systematically distorted communication' or 'discursive practices' in which open voice, real consensus, participative action are advocated but in 'reality' remain unpractised, they are simply a pretence to avoid conflict. Varey argues that this form of communication is practised "because the manager does not want to deal with, or does not know how to deal with, conflicting situations. They do not value employees' potential contributions, taking advantage of their managerial prerogative to their own benefit. Furthermore, they often overlook values and goals, arguing that they are forced to act this way because of the urgency of situations" (Varey, 2000b: 9, based on Deetz). 'Discursive closures' involve practices like disregarding, discouraging or avoiding the discussion of certain themes, keeping the underlying reasons for certain decisions undisclosed, labelling certain opinions or ideas as 'natural' or by discrediting certain people's ability to provide a contribution to specific topics (Griffin, 2003).

"The field for a long time argued that meanings were in people, I raise the opposite kind of question: Whose meanings are in people?" (Stanley Deetz in an interview with Em Griffin; quoted from Griffin, 2003: 298)

The figure below is based on Deetz and depicts how 'information' and 'communication' relate to 'managerial control' and 'co-determination':

Figure 5.18 Two Models of Communication

	Managerial Control – Systematic exclusion of people's voices	Co-Determination – Open and shared dialogue, participatory
Information Model	Strategy Explicit managerial actions used to exert control	Involvement Open expression of ideas encouraged, but no say in final decisions
Communication Model	Consent Loyalty or commitment to 'covert control'	Participation Stakeholder democracy often undermined by managerialism

Source: based on Deetz 1995; adapted from Griffin, 2003: 288

According to Deetz, 'managerial control' signifies a power-oriented approach to shaping organisations:

- 'Strategy' represents evident forms of control exertion. In effect, rules, norms and values are set by the management through strategy. Organisations are constructs that are characterised by 'managerialism' or a collective force which Deetz describes as "a kind of systematic logic, a set of routine practices, and ideology" (Deetz, 1992: 222, quoted from Griffin, 2003: 288). It is not the individual manager that is responsible but rather the organisation as a structure that imposes its ideas onto other people. Power-oriented management uses 'discursive closure' in order to influence decision-making processes according to its own goals and aims.
- Managers avoid open conflict. They prefer to talk their employees into accepting 'voluntary consent' than by exercising their power visibly. Consequently, managers often implement forms of voluntary consent or pretence of consensus (see also Habermas, 1971) in which an employee unknowingly fulfils the interests of the management in the erroneous belief that he or she is acting in his or her own interest. Employees erroneously perceive the decision-making process to be the result of their own involvement and doing. Consent is developed by the senior management through the concealed control of corporate culture including elements such as rituals, symbols, language, styles and story telling. According to Deetz, consent "designate[s] the variety of situations and processes in which someone actively, though unknowingly, accomplishes the interests of others in the faulty attempt to fulfill his or her own interests. The person is complicit in her or his own victimization." (Deetz, 1995, xv, quoted from Griffin, 2003: 290, bracket added)

The right side of the model portrays forms of co-determination which Deetz defines as "collaborative collective constructions of self, other, and the world" (Deetz, 1994: 577, quoted from Griffin, 2003: 287).

- 'Involvement' entails decision-making processes that consider the opinions of all stakeholders. Employees should be able to express their grievances freely without fear of reprisal. In many cases organisations provide open forums for employees to express their ideas and opinions. However, in most cases employees do not have a true 'voice' in any eventual decision-making, Deetz argues: "Advocacy is not negotiation" (Griffin, 2003: 292).
- In what Deetz calls 'participation' he advocates organisational behaviour that endorses real stakeholder involvement. Participation of stakeholders, however, is often hindered by 'systematically distorted communication' which is implemented by the management to suppress potential conflict and unrest. This impediment is not visible and occurs without explicit 'awareness'. In these cases certain group settings and contexts (structures) limit the extent of open expression and even impede free thinking. People may believe that they are acting and thinking freely while their true choices and possibilities are really confined to only a few options. Pre-decided issues are thus disguised as participatory processes. Employees are persuaded to think that their actions are self-directed: based on common sense and their own will.

According to Alvesson and Willmott (1996) distorted communication suppresses real interaction and differing views. It is purposely utilised to construct settings in which management-defined goals are achieved

One senior manager admitted that many developments were predetermined and that many messages were often circumscribed or understated in order to avoid possible unrest. Unfavourable developments like lay-offs were hushed up, masked or talked down.

In the figure below the key ideas of Deetz's communication approach are summarised:

Figure 5.19 Critical Communication Approach to Organisations

Corporate colonisation of everyday life

- Corporations represent political and economic institutions
- Multinational corporations are dominant forces in society

Information vs. Communication: a difference that makes a difference

- Transmission of information perpetuates corporate dominance
- Language shapes social reality, corporations subtly produce meanings and values
- Communication is an ongoing construction of meaning, issue of power runs through all language and communication
- Public decisions can be formed through strategy, consent, involvement and participation
- Managerial control often takes precedence over long-term company health

Strategy: Overt managerial moves to extend control
Strategic control does not benefit the corporation, and it alienates employees

Consent: Willing allegiance to covert control
Develop consent through managerial control of corporate culture

Involvement: Free expression of ideas, but no voice
Free expression is not the same as having 'voice' in corporate decisions

Participation: Stakeholder democracy in action
Democratic participation creates better citizens and social choices. It provides economic benefits

Source: based on Deetz, 1992; adapted from Griffin, 2003: 284-299; adapted from McClish, 1997: 225-227

Some of the assertions by Deetz also find certain support in recent studies related to mergers and acquisitions. According to Hellgren et al. (2002) the press media often re-constructs publicly shared meanings by categorizing a merger either as a 'win' or 'loss'. Their discourse analysis indicated that reporters often blend objective factual information with subjective aspects related to legitimation and emotion. There is no sufficient critical and distanced reflection of the merger, the analysis found. The study indicated that managerial perspectives related to economic aspects are increasingly being popularised with the support of the media. There is thus a risk that manipulated meanings are imposed on the public which are then naturalised as accepted standpoints.

An empirical analysis by Vaara (2002) which used discourse analysis revealed that decision makers often legitimised their own merger successes (success narratives) or exaggerated about merger failures caused by others (failure narratives). The constructed recounts, the study found, were often used to legitimise and justify their own actions. In many of these cases an overly optimistic picture of themselves was presented while failures related to others were frequently recounted in an overly pessimistic manner. The actors' experiences were essentially reframed to fit personal perceptions and motives.

Deetz's position attacks current communication practices arguing that corporations should negotiate power openly. Advocates like Stewart support this position advocating that communication should involve a high level of trust, a willingness by both parties to disclose their inner feelings and personal histories explicitly (Hartley, 1999). A prerequisite for fair communication is that both parties are authentic in their care or concern for one another. It is all about taking broader perspectives of social responsibility:

"A lot of managers talk about thinking out of the box, but they don't understand ... that you do not think out of the box by commanding the box." (Stanley Deetz in an interview with Em Griffin; quoted from Griffin, 2003: 298)

Aspects related to distorted communication have found only little consideration in the existing mergers and acquisitions literature and only a few texts have addressed this issue more critically (compare Demers et al., 2003). Opportunistic managers may see a merger as a favourable opportunity to act sanctimoniously. They may use the emotional turmoil as a cover to follow personal or other parties' interests.

Consequently, more research efforts should be directed at the phenomenon of distorted communication during mergers. It should be examined to what extent organisational communication utilises elements of manipulation and inappropriate influence-taking on both the internal stakeholders as well as society. It needs to be ascertained whether organisations that propagate open and fair relations with their employees are really acting in accordance with these principles or whether egalitarian systems are merely propagated to suppress potential unrest.

Several managers were viewed as opportunistic by their subordinates as the interviews revealed. There were reports that uncomfortable issues were played down or concealed. One employee stated that employee participation had been propagated but not actively endorsed by the management: "there was no real interest to hear what we had to say" (employee, translation). Several employees expressed doubts concerning their senior management's trustworthiness and raised questions about its true motives (sincerity). The senior management was frequently perceived as lacking real interest in employee concerns.

In some instances organisational communication was perceived as being superficial, insincere, vague, meaningless or even staged. Such communication seemed to provoke feelings of disbelief, sarcasm or even resistance by some respondents:

"A merger is like a garden, you will only get back what you plant. If it is perceived that the management plants distrust, puts personal interests and motives first, than it will probably reap disloyal, doubtful, apprehensive and unmotivated employee reactions." (expert, translation)

One of the merger experts questioned viewed communication as a beneficial tool for appeasing the organisation. The expert stated that communication was invaluable for identifying disagreeable employees. These employees were destructive elements that need to be expelled or synchronised. The latter process was best done by integrating these members into combination activities of minor importance, the expert proposed. These disgruntled employees would then feel that they were in control of the situation. However, these employees would now be held accountable for ensuring success – an invaluable motivator – the expert remarked. The heavy workloads and the newly gained responsibility would quickly muzzle any resistance, he smirked.

Another expert warned though that: "the employees will carefully weigh up whether the management's communication and its actions are in their personal interest or not." (expert, translation). If the management took any attempts to fool the workforce than this could easily backfire by causing further disgruntlement.

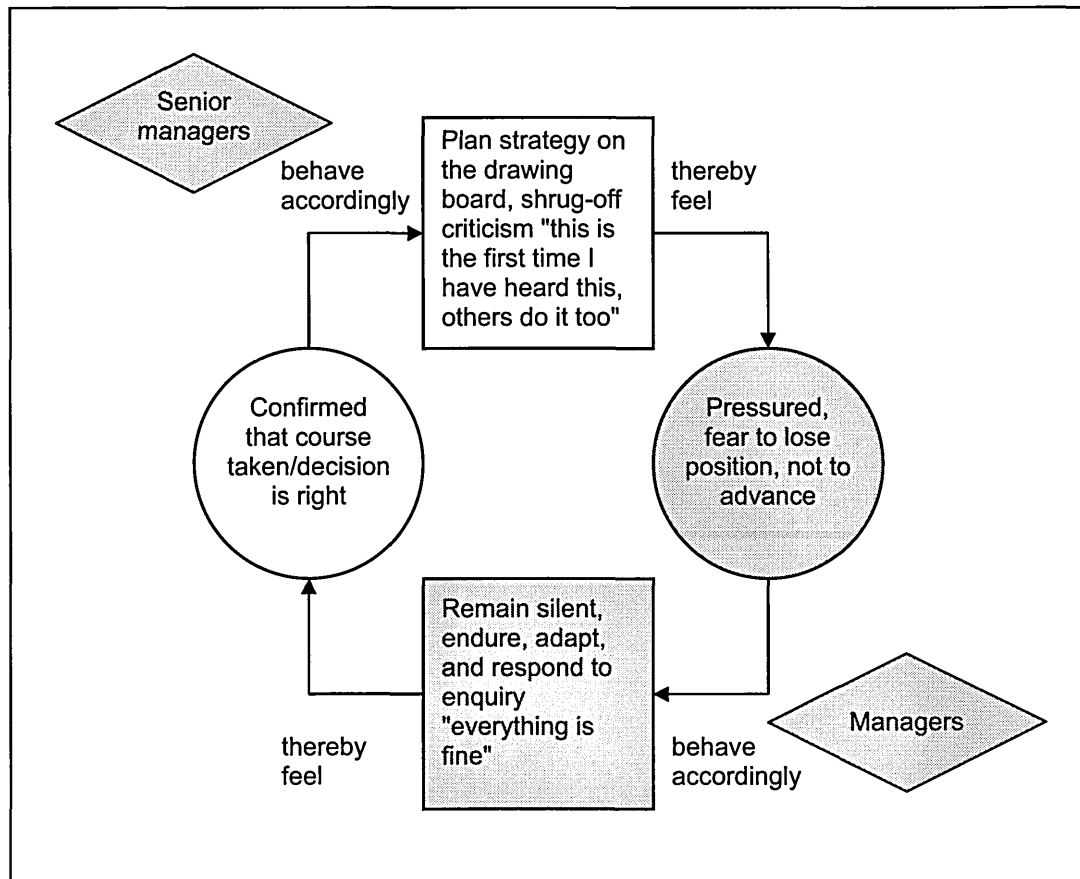
5.3.3 Misunderstandings

The inability to manage group agreement in organisations (rather than group conflict) can lead to organisational dysfunctions, Harvey (1988) has found. He depicts situations in which organisations "take actions in contradiction to what they really want to do and therefore defeat the very purposes they are trying to achieve" (15). Known as the 'Abilene paradox', Harvey describes situations in which people express their agreement to a decision even though they silently agree that they oppose it or feel that it is wrong. It is a form of false group consensus in which the individuals who oppose certain decisions fear to speak out. A group that is subject to change processes may therefore not act according to its actual preferences. As the dissatisfaction and resentment remains unspoken, individual group members will experience frustration and anger against other group members, sub-groups within the organisation or against subordinates. The initial decision-maker may also feel irritated and annoyed as he realises that the decision was wrong, but he will justify himself by arguing that everyone in the group expressed their open support for the decision. Unless overcome, this situation will escalate and may result in a complete deadlock:

"Organization members fail to accurately communicate their desires and/or beliefs to one another. In fact, they do just the opposite, thereby leading one another into misperceiving the collective reality. On the basis of incorrect assumptions about the consensus, each member of the ... group [communicates] inaccurate data to the other members of the organization ... With such invalid and inaccurate information, organization members make collective decisions that lead them to take actions contrary to what they want to do, thereby arriving at results that are counterproductive to the organization's intent and purposes." (ibid: 16, bracket added)

Jointly created misapprehensions are common and often unrecognised causes for employee unrest. The model below depicts how misunderstanding between senior managers and lower level managers can inadvertently escalate. The 'vicious cycle' model by Schulz von Thun et al. (2004) illustrates that many perception problems experienced in organisations occur on an indiscernible level:

Figure 5.20 The Vicious Cycle



Source: Schulz von Thun et al., 2004: 22, translation

Schulz von Thun suggests that in order to escape this cycle a different climate in the respective organisation is necessary, senior executives need to encourage open feedback and accept criticism more readily. Line-managers on the other hand need to be more 'courageous' by voicing their opinions more openly.

Similar situations were also reflected in the interviews, for instance, in cases in which the views of superiors and subordinates were directly compared. As people interact with each other, they developed false conceptions about each other's intentions and motives – this led to obvious misunderstandings:

"As always, it was up to me to present our team members at the introductory meeting. I know that they [direct subordinates] don't like doing this sort of thing. They were really glad that I had done it for them." (superior, translation)

versus:

"He was so taken up with distinguishing himself that he even took over when it came to introducing ourselves to the new colleagues. That was really a degrading experience, but it is typical of his [superior] impertinent behaviour." (employee and direct subordinate, translation)

Many people tend to project their own thought processes onto another person. As we cannot gain real access to inner thought processes of the people being studied, we are reliant on our subjective interpretations of other subjective beings. This mismatch is often the cause for misunderstandings, Carnall, (1990) contends:

"We constantly guess what people think and feel. The problem is that in most cases we guess wrongly. We assume that what is going on in somebody else's mind is somewhat identical to our own psychic processes. We tend to forget that we are different. Sometimes, drastically different." (Casse, 1979, quoted from Carnall, 1990: 120)

Many problems encountered in companies may simply be a result of poor communication. People may not communicate in a way that facilitates mutual understanding and this may inadvertently lead to false interpretations. According to Isaacs (1999), a large part of human 'dialogue' remains unspoken or implicit; sometimes it can also involve processes of intuition and inference. A falsely understood inference can escalate to a whole series of false interpretations. Additionally, different settings can also influence the form of dialogue and thus the degree of mutual understanding. In order to gain more understanding people should engage in conversations that adopt 'democratic' and 'coherence-oriented' conventions (compare Habermas, 1984). These conversations involve 'listening' to others (the self-awareness of how one listens to others, really hearing what others have to say), 'respecting' others' views (consciously taking oneself into an unbiased and tolerant position to what others have to say), 'suspending' personal assumptions (temporarily disregarding personal assumptions, interests, certainties and beliefs) and 'voicing' personal ideas (expressing statements openly without fear of reprisal).

Many communication problems are also based on problems of perception, Covey (1990) contends. Differing perceptions and issues of credibility intertwine to form 'knots'. People involved in interaction try to make sense of the world as it is. They do not realise that they are predisposed by subjective perceptions of the world. Covey elaborates that people who are perceived to have differing or opposing views are quickly allocated to specific positions. At the

same time, emotional barriers are brought up against these 'adversarial' groups. Covey endorses that people should make a greater effort to understand contrary positions. Considering other people's standpoints requires an active, sincere and shared will. Both parties should ideally approach each other in 'good faith', without questioning the other party's good sense or genuineness, Covey adds.

During the interviews, several employees expressed that their concerns had not been adequately addressed by the management. Some senior managers, on the other hand, deliberated why many of the integration activities implemented had not led to the expected outcomes.

Often employees and senior managers have a natural conflict of objectives, one expert commented. A senior executive will commonly strive for organisational growth and profitability while the employee seeks to maintain the work environment with which he is familiar and to which he is accustomed. In most cases these divergent positions remain latent and tacit. Managers will view communication as a means to an end (in order to achieve organisational or personal goals) while employees tend to rely on it to make sense of their personal circumstances, alleviate emotional disorders as well as pre-empt and avoid potential conflict. Under these premises, misapprehension and tension is unavoidable. Often, managers will not really involve themselves with the emotional state of their employees, the expert added. Many managers appear to have no conception of what impact their behaviour or messages will have on their employees; "they are focussed on results and fail to recognise that their people are complex and sensitive beings that do not always work with the push of a button" (translation), the expert remarked.

Misunderstanding seems to be at the heart of many organisational problems as humans interpret their social world and the actors within it. As people interact with others, they are reliant on their sensory perceptions. Certain contents of what people intend to communicate seem to get lost during the interaction process; no matter how diligently people communicate. Human communication may therefore be characterised as imprecise and fuzzy; it may not be as clear and defined as we commonly assume.

Humans also appear to have a natural tendency to produce prejudices against others. These barriers impede interactions and may also give rise to misunderstandings.

The problem of misinterpretation does not appear to be primarily related to factual information but rather to components related to affiliation (e.g. mutual perceptions and feelings shared between the interacting subjects). Unfortunately, only a few studies about these occurrences exist in current merger research (compare Kleppestø, 1998).

5.4 Preliminary Evaluation

In recent years the literature has increasingly begun to address the relevance of human aspects in mergers. As a result a number of disorders commonly experienced by the organisational members during this time have been identified (e.g. fear, uncertainty, stress, cultural prejudices). Many of these emotional disturbances are believed to result in dysfunctional employee behaviour like decreased motivation, lowered productivity, resistance as well as other undesired outcomes. There have also been reports about cultural clashes in which employees of the merging organisations develop prejudices against each other and engage in conflicts. Many academics regard people issues to be, at least partly, responsible for many difficulties observed after a merger. In many cases internal communication practices are thereby also viewed as an important element or success factor. This view is also commonly shared by the consultants engaged in this field (Pritchett et al., 1997; Prentice, 2004; Marks and Mirvis, 1986, 1998; Berner, 2002, 2004; Galpin and Herndon, 2000).

While most studies and management texts make suggestions on how to 'apply' internal communication by providing normative standards, guidelines or recommendations, most of these writings avoid exploring communicative practices in more depth.

Aspects relating to internal communication have, for instance, been addressed in a number of studies. While it is acknowledged that existing research has provided valuable insights into merger communication, it is argued that most of these studies have limited themselves to examining certain 'surface events' (stimuli and responses) only. Many studies, whether of quantitative or qualitative character, have examined certain managerial traits and or behavioural patterns that organisations should adopt during a merger. Common issues addressed in these studies relate to the optimisation of information design and conveyance (e.g. consistency, frequency, amount, openness, honesty, ideal time). In these studies the scope of investigation is confined to selected methods; there is no holistic examination of other intervening factors.

The bulk of management literature also offers interesting viewpoints. However, as some of these texts still lack systematic research, readers must therefore carefully evaluate whether the recommendations made are based on speculation, common sense, professional experiences or trustworthy research.

Furthermore, the majority of post-merger integration texts reviewed presuppose that communication is equated to an 'object' which is 'sent' and 'received' (transmission communication). Information, messages or meanings are coded, sent, received and decoded. Thoughts or meanings put into messages by the sender are thereby assumed to be reproduced in the mind of the recipient. This finding pertains to many studies but also to the management texts.

As merger communication is assumed to be more complex and broader than the conventional transmission models suggest there is a latent risk that the existing studies may be based on misconstrued conceptions. Examining internal communication from a cultural communication or shared meaning perspective, as advocated by academics from other fields, may be more suitable in dealing with the complexities that people are faced with during integration.

Thereby, people's personal experiences are of primary interest not any observable event relationships. Cultural communication approaches follow the understanding that meanings are jointly created between individuals and not through message transmission. Communication activity is not linked to the action of an individual but is viewed as a mutual interaction process between two or more individuals. Cultural approaches view communication as an unstable concept which constantly evolves; a blending of meanings and identities in different social contexts.

A few academic studies, mainly from Scandinavia, have provided advancement to the existing body of knowledge by examining human interaction during mergers from a social constructionist perspective. The emphasis of these studies has been to examine merger-related issues with the assumption that internal communication is premised on shared meanings. This alternative approach widens the exploratory possibilities by focussing on the thoughts, values and beliefs of the research subjects.

The study of organisational identity, a subfield related to cultural integration, has also provided contributions to internal communication practices during mergers. This field provides further indications as to why people behave the way they do and also addresses how people interact with one another in order to establish their identities within the new organisation.

Communication is also prone to misuse. As we have seen in the existing literature, there are indications that some managers use communication as means to realise objectives that are not necessarily in the interest of employees. Aspects related to 'discursive closures' and 'suppression', however, have only received minor consideration in the mergers and acquisition literature.

As we have seen, some literature indicates that organisational communication appears to be susceptible to misunderstandings. This common phenomenon appears to be related to misinterpretations between the interacting subjects – which inadvertently lead to certain frictions. While it is known that misunderstandings occur, up to now little is known why this happens.

As highlighted in the preceding sections, a number of issues addressed in the dominant literature were also substantiated by the statements by the interview participants. There are, however, also some gaps ('lacunae') identified in the existing literature.

- Currently, there are doubts whether transmission-oriented approaches are expedient to deal with the complexities of a merger. It should therefore be assessed whether it is more favourable to view combinations from the viewpoint of cultural communication approaches.
- The underlying activities behind shared meaning creation during a merger – conceptions linked to cultural communication approaches – also require further scrutiny. Many of the underlying processes related to communication have yet to be discovered. Some of the more recent literature has only just begun to address these issues.
- There are still open questions related to the relevance of misunderstandings as a root for many communication problems experienced in organisational combinations. While there is wide agreement that certain communication may not always find favourable recognition by all organisational members, there are indications from the primary data analysis that many integration related skirmishes may simply be founded on misunderstandings caused by false interpretations that evolve as the subjects interact. Although, this phenomenon has also found consideration by some communication scholars, related findings in the mergers and acquisitions literature remain relatively scarce.
- No overarching conceptual framework was found in the existing theory that adequately explains communicative processes during a merger. Many of the evaluated communication activities only refrain from addressing certain constituents of communication, however, no integral explanatory framework has been provided yet.

6 Towards a New Approach

"The single biggest problem in communication is the illusion that it has taken place."

(George Bernard Shaw)

The aim of this chapter is to develop a new approach to merger communication. For this purpose the interview findings from Chapter 4 (primary data) are reconciled with the prevalent theoretical knowledge from Chapter 5 (secondary data). Subsequently, a framework is suggested which, it is hoped, will provide a more coherent understanding of communication in integration contexts. The suggested approach should also help to clarify some of the gaps identified in the review of the literature (see Section 5.4).

Finally, the suggested new approach to merger communication is scrutinised from a critical realist perspective. Thereby, some of the structures and mechanisms identified through empirical analysis and the literature are presented. There is also a brief discussion on how executives can strike a balance between performance and people orientation.

6.1 Reconciliation of the Findings

In the literature several fields related to mergers and communication were reviewed. A number of issues identified in the literature are supported or extended by the findings made from the interviews. Some of these related findings have already been contrasted in the respective sections in Chapter 5.

However, the key objective of this study was to explore merger-related communication practices in a more general sense. There was no intention of examining specific combinations, people, communication tactics, industries or the effectiveness of certain mediums as in previous research studies (compare Cornett-DeVito and Friedman, 1995; Empson, 2000, 2001, 2004; Gertsen and Søderberg, 1998; Kleppstø, 1998; Schweiger and DeNisi, 1991; Kramer et al., 2004; Nikandrou et al., 2000; Whalen, 2002). While the empirical data served as building blocks to generate theory, evaluating aspects of communication at a more meta-level was the key issue dealt with here.

In the literature, the importance of communication has frequently been addressed and certain features or styles of merger communication propagated. Many academics involved in this area, for instance, have recommended that organisations adopt specific forms of information dissemination (e.g.) and/or premeditated management behaviour (Schweiger and DeNisi, 1991; Stahl and Sitkin, 2002, 2004). In some cases the emotional disorders experienced by the employees (anxieties, uncertainties, stress, etc.) are linked to unsuitable, vague, imprecise or missing communication (Bastien, 1987; Cornet-DeVito and Friedman, 1995). At the same time it is commonly asserted that effective communication can help to reduce these merger

'dysfunctions' (Kramer et al., 2004; Napier et al., 1989; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005; Whalen, 2002).

Existing theory in the area of mergers and acquisitions offers advice on utilising specific communication 'techniques' which are believed to affect the way that people think and behave. As extensively laid out in Chapter 5, the literature has proposed a number of behavioural guidelines to satisfy employees' information needs during integration. From this perspective, for instance, communication should be:

- extensive (Bastien, 1987; Kramer et al., 2004; Napier et al., 1989; Shrivastava, 1986; Mirvis and Marks, 1986)
- relevant (Bastien, 1987)
- trustworthy (Buono and Bowditch, 1989; Bridges, 2003; Cornett-DeVito and Friedman, 1995; Stahl and Sitkin, 2002, 2004)
- useful (Nikandrou et al., 2000)
- continuous (Bastien, 1987; Cartwright and Cooper, 1996)
- frequent (Schweiger and DeNisi, 1991; Galpin and Herndon, 2000)
- consistent (Bastien, 1987; Kramer et al., 2004; Napier et al., 1989; Schweiger and DeNisi, 1991; Whalen, 2002)
- timely (Bastien, 1987; Cornett-DeVito and Friedman, 1995; Jemison and Sitkin, 1986; Nikandrou et al., 2000; Schweiger and DeNisi, 1991; Schweiger et al., 1987; Shrivastava, 1986)
- open and honest (Bridges, 2003; Empson, 2000; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005, Whalen, 2002)
- realistic (Empson, 2000 Schweiger and DeNisi, 1991; DeNisi and Shin, 2005)
- clear and accurate (Bastien, 1987; Schweiger et al., 1987; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005)

The literature advocates that organisations should adopt one or a combination of these 'techniques' in order to guide their employees in accordance with organisational needs. All of these guidelines essentially signify forms of transmission-oriented communication, a concept introduced in Section 5.3.1, in which certain measures are purposefully implemented to attain certain responses; often to guide or appease the workforce. Most of the existing studies have

therefore only examined merger communication from a fragmentary perspective – focussing on only one or a few specific aspects like those listed above.

Essentially, the techniques propagated are designed for communicating with mass audiences – which are assumed to be homogenously structured and to behave in a synchronised way. The employees are thereby treated as submissive information recipients reacting in a certain way to specific stimuli (compare studies by Kramer et al., 2004; Schweiger and DeNisi, 1991). It is assumed that organisations can produce pre-formed meanings, values, beliefs or ideas which are then 'transferred' and 'implanted' into the minds of the organisational members when needed. Essentially, communication processes are regarded as transactional processes in which messages or information are exchanged between 'senders' and 'recipients' (compare Haspeslagh and Jemison, 1991). Merger communication is thereby reduced to an 'instrument' that is employed at will in order to guide persons or groups as desired.

The 'classical' perspectives on merger communication propagated in the dominant literature are viewed as inappropriate. While these approaches are not considered to be wrong, it is argued that they disregard many underlying factors which are not immediately visible. In other words they only take a 'shallow' view of what is happening and what needs to be done. Until now only minor reference has been made to the underlying thought operations arising at the subject's individual level – deeper emotions, thoughts or feelings triggered during these times often remain unconsidered. Conventional communication approaches lack explanations as to how information and supplementary influences are processed in people's minds. As the interview findings revealed, it is misleadingly presupposed that specific interaction measures unfold the same effects on different individuals.

The primary data analysis presented in Chapter 4 would suggest that organisational communication during a merger is processed distinctively by each individual. Adaptive behaviour does not equate to agreement or acceptance. Observable reactions or behaviour may not necessarily correspond to what people really think or feel. The real underlying thoughts of an individual tend to be founded on very different considerations – this phenomenon was observed quite frequently during the primary data analysis (Figure 4.7). Several participants stated that they had divergent opinions from those of their superiors but would not openly show or voice their concerns (e.g. because of feared sanctions or reprisals). People's resultant behaviour was thus simply pretentious or adaptive. Similar findings have also been reflected in some of the academic literature (Harvey, 1988). Taking this finding into account, it seems that communication needs to address peoples' concerns individually – efforts directed at mass communication only will evidently not suffice in satisfying the needs of the individual.

Communication is complex, unstable and context driven as some scholars from other fields have suggested (Carey, 1989; Grossberg et al., 1998). There is no exact delineation of where communication begins and where it ends (Kleppetø, 1998; Watzlawick et al., 1990).

'Cultural communication', a special route within communication theory, has been suggested by some of the literature as an alternative perspective on communication (Carey, 1989; Grossberg et al., 1998). Cultural communication is not attributed to a certain philosophy although its followers typically subscribe to post positivist commitments engaging mostly in qualitative analysis. This alternative perspective regards communication as a 'transformational' operation in which people create and share meanings as they interact (Varey, 2000a, 2000b).

In the literature the harmonisation of organisational cultures is viewed as an important element for successful integration (Buono and Bowditch, 1989; Cartwright and Cooper, 1992, 1993c, 1996; Datta, 1991, Larsson and Lubatkin, 2001; Nahavandi and Malekzadeh, 1988, 1993). One interview participant noted that the development of an organisation's culture necessitates interaction and must therefore be seen as an integral part of merger communication: "you can't build a new corporate culture without communication" (expert, translation). Much of the literature focussed on cultural integration – especially the literature on social identities – has begun to view interaction with a more differentiated approach (compare Section 5.2.2). More focus is now placed on psychological issues and the way that these factors strengthen people's willingness to identify with their new organisation. By seeking favourable identities people socially construct their views of themselves and others – this is done through various forms of interaction. This specific branch of the mergers and acquisitions literature has therefore inadvertently begun to adopt aspects related to cultural communication approaches.

The supporters of cultural communication identified in the area of mergers and acquisitions research frequently subscribe to ideas related to the social construction of reality and interaction based on the sharing of meaning. The amount of research available in this area is still scarce and the identified proponents follow commitments of constructivism (e.g. Gertsen and Søderberg, 1998; Kleppetø, 1998, 2005). While some of these 'newer' studies have identified that communication is more intricate than commonly advocated; this new research angle has not yet provided an overarching framework that sufficiently explains merger communication.

This study represents a first endeavour to explore communication activities during mergers in which commitments of critical realism are followed. Unlike many followers of constructivism, critical realists assume that an independent reality exists – which is only accessible to us via a priori (compare Section 2.2.1). The followers of critical realism also subscribe to different conceptions of truth than constructivists (compare Section 2.2.2).

A communication theory was developed on the basis of the inductive theory generation process (Chapter 4). This systematically induced fieldwork theory (compare Section 4.1.5) which is grounded on empirical data suggests that communication signifies a reciprocal process in which shared views and understandings are generated between the interacting subjects. The theory premises that merger interaction processes are guided to a great extent by internal thought operations of the organisational members.

The findings of the theory emergence process would therefore suggest that merger communication exhibits attributes related to cultural communication. The participants, the study showed, did not solely rely on disseminated messages or information to satisfy their communication needs. Merger communication, the findings revealed, is rather founded on processes of view creation which are concerned with mutual perceptions, interpreted behaviour and expectations that the interacting subjects have of one another; a form of meaning mediation. Thereby, the exchange of messages or information only plays a minor role.

As extensively laid out in Chapter 4, the eventual fieldwork theory was developed from the core category 'quality of view formation' (compare Section 4.1.4). This core category conceptually combines all the lower level categories and concepts derived during the research in order to represent its key idea (Strauss and Corbin, 1998).

The interview data suggests that when people interact with one another they generate 'evolving sensual imprints' (main category); these are essentially mind operations in which an implicit understanding of people's social reality is formed. The main category 'evolving sensual imprints' describes a process in which 'facts', 'fictions' and 'feelings' are blended to form people's 'underlying views' (Figure 4.6). As people engage in interaction they generate certain underlying assumptions about themselves, others and their environment. This process evidently serves to make sense of the merger. The 'underlying views' ultimately condition the way that people think and behave. Every interaction with others is thus founded on these underlying mind operations.

Based on the data analysis (see Section 4.1.3), people's 'underlying views' are conditioned by the specific context in which the subjects are embedded. This discovery was expressed through the main category 'influential exposure'. The concept of 'underlying views' is further illustrated in Figure 6.1.

Figure 6.1 Mind Processes and Merger Context

Mind Processes of a Subject:

'Evolving sensual imprints'

'Facts': messages, texts, other information (including rumours)

+

'Fictions': view of the merger situation that people make up in their minds

+

'Feelings': capacity to feel emotions, sensory experiences

'Underlying Views'
(implicit understanding of a merger)

Merger Context:

'Influential exposure'

'Underlying Views'

(compare Figure 4.6: blending of 'facts', 'fictions' and 'feelings')

Subject's mind

Source: Author

In interaction processes some parts of people's 'underlying views' are shared with others. When people interact they essentially create 'shared views' (or shared understanding) with each other (compare Section 4.1.5). This view-forming occurs in some form of intangible realm that is jointly produced between the interacting subjects. As a result, the sharing of views represents a reciprocal activity which is subject to constant reproduction.

Following critical realist argumentation people essentially create internal scenes of transitive 'reality' (or what they take as reality) during a merger. In other words, people use communication with others to construct their image of transitive reality (see Section 2.3.1). Based on this stance, reality can be viewed as socially constructed between the interacting subjects. This view is therefore partly congruent to constructivist-oriented studies (Gertsen and Soderberg, 1998; Kleppesto, 1998, 2005).

By engaging in social interaction the organisational members create mental representations of each other. People constantly produce joint realms based on these mental representations in which they share views (or meanings). Our perceptions of the social world are thus joint constructions based on our transcendental capabilities - the existing objective reality remains beyond our cognitive reach. Merger communication can thus be viewed as a state of 'collective awareness'.

From a critical realist perspective all internal mind operations as well as situational contexts are created through structures (indirect) and generative mechanisms (direct) that exert their powers in the social world (see Section 2.3.3).

The interview data (Chapter 4) suggests that people will assume that their perceptions of reality are widely congruent to the subjects that they are interacting with; reality is perceived as natural and evident. As interaction progresses the subjects will continuously reinforce their assumptions that they share a common understanding of reality (compare similar statements made by Berger and Luckmann, 1966). Consequently, the ability and willingness to understand other subjects seems to be related to a person's receptiveness and situational context.

The analysis of the interview data also suggests that the interplay of 'underlying views' (evolving sensual imprints) in combination with the specific contextual settings (influential exposure) often leads to situations in which misunderstandings arise. This idea was expressed in the main category 'developing perception discrepancies' (see Section 4.1.3). While this phenomenon seems to be less distinctive between colleagues at the same hierarchy level, relationships between subordinates and superiors frequently appeared to be affected by distortion – the 'projected meanings' of the interaction partners were simply not shared by the subjects as intended. Employees showed a strong inclination to misinterpret their superiors and vice versa which frequently led to misunderstandings among these two groups.

When engaged in interaction people project their realities and expectations onto others with the anticipation that they are understood. Thereby, the interacting subjects mistakenly assume that they share the same extent of understanding. The findings would indicate though that certain communication contents are lost during interaction. Regardless of how clear and precise communication activities may be – not everything that was purposely communicated enfolds in the mind of the interaction partner. It seems that people interpret certain meanings differently because their cognitions of reality differ. As a result unwanted meaning discrepancies – many of which are not recognised – evolve. The interview findings suggest that the natural incapacities of the human apparatus seem to restrain people's ability to understand and interpret others (see Section 2.2.1). We mistakenly assume that communication is clear and accurate but its not. Merger communication remains imprecise and fuzzy as we cannot delineate its exact boundaries. We can only vaguely approximate the extent of shared understandings attained with others.

There may be situations in which merger communication is used for unpleasant purposes (e.g. redundancies, relocation, sanctions) and therefore it may not be favourable to all: "there will be instances in which the employees will not be satisfied regardless of how good the communication may be." (expert, translation). One should therefore not mistake communication to be a universal remedy for resolving merger problems. The abstracted core category 'quality of view formation' essentially denotes that merger communication refers to the extent of understanding attained by the interacting subjects and not whether they agree or share opinions! (compare Hartley, 1999).

To summarise, there are fundamental differences in respect to advocated interaction identified in dominant mergers and acquisitions theory and between practices advocated in alternative literature founded on cultural communication as well as the primary research findings. The area of merger communication is essentially split into two factions; followers of transmission versus followers of cultural approaches (compare Section 5.3.1):

Figure 6.2 Confrontation of Two Communication Perspectives

Interview findings and theoretical findings based on cultural communication Joint construction of shared views or meanings	Theoretical findings based on transmission communication Transport of information or reproduction of meanings
Invisible, unobservable (in the layer of the real), abstract or theoretical level, qualitative methods, subjective, socially constructed reality, only limited access to reality	Visible observable effects, empirical layer, quantitative methods, objective, presupposed reality, full access to reality is possible
Shared views that are jointly created through verbal and non-verbal communication	Reproduction of pre-formed meaning based on messages and information
Interpretation, intuition, experience, empathy, understanding	Frequency, amount, consistency, constancy, consumption
Shared realm, shared zone of views or consensual domain	Conduit, channel, medium, transport, vehicle
Intrapersonal/interpersonal/individual effects	Group or mass effects
Shared views play an important role	'Packaged' intention plays an important role
Reliant on interpretation of verbal (including written language) and non-verbal modes, shared creation process	Reliant on verbal or written language that transmits understanding of the intended meaning to the recipient
Transformation, reciprocal, dynamic, context-driven, sharing thoughts, collectively produced, making sense	Transaction, transmission, transportation, conveying, broadcasting, processing, reproducing thoughts
Personal interaction	Relies on organisation, technical systems or mediums
Shared interaction and transformation causes certain behaviour. Structures and generative mechanisms give rise to shared views and resulting behaviour, participatory focus	Certain stimuli of communication give rise to certain effects or responses, reactive, outcome-oriented, consequential
Behaviour has a certain tendency to be spontaneous	Behaviour is predictable
Sharing knowledge, shared domains,	Sharing information, sending messages, reacting

communal values	to stimuli, individual
Gaining trust, participation, democracy, legitimacy, emancipation, endorsing freedom of speech	Creating trust, control, manipulative persuasion and support, engaging in systematic distortion of communication
Focus on aspects of quality	Focus on aspects of quantity

Source: Author

6.2 New Approach to Merger Communication

Communication during mergers and acquisitions, it seems, requires re-thinking. New viewpoints may therefore help in improving current merger communication practice.

The approach suggested in this section is the outcome of analysis and personal interpretation of the merger occurrences observed in this study. It comprises ideas gained from the grounded theory data analysis (Chapter 4), the literature (Chapter 5) as well as from critical realist commitments (Chapter 2). The aim of the suggested approach is to clarify previous misconceptions about merger communication by illuminating some of the underlying processes. There is explicitly no intention of providing a prescriptive guideline on how to direct, influence or control the organisational members. Furthermore, the suggested approach should be viewed as an explanatory framework not as a fundamentally new communication theory. Finally, it must be noted that the approach has still to be validated by future research.

Based on personal philosophical commitments as well as assertions developed from the data collection and analysis process it is assumed that:

- Experiences made by people are processed and understood through senses and interpretation (Figure 4.6).
- Individuals produce and give meaning to the social world they live in. Creation of individual views is conditioned by social factors. Humans are fundamentally influenced by their surrounding environments and by the people they share the world with. Social relations are thus influenced by specific social contexts (main category: influential exposure) (compare Figures 4.5, 4.6 and 4.7).
- People reflect upon past experiences and personal knowledge when they interact. Their communicative ability is influenced by personal perceptions, temporal influences (e.g. history of relationship), roles, status and intentions of the interaction partners (compare Figures 4.6 and 4.7).
- It is asserted that all people have some form of 'underlying views' (main category: evolving sensual imprints) that are created through the blending of 'facts', 'fictions' and 'feelings'

(compare Figure 4.6). These 'underlying views' exist regardless of whether they are appreciated or not. Some of the 'underlying views' that people create in their minds appear to be sub-conscious thought operations (compare Figure 4.7).

- While certain ideas of social construction are endorsed, it is stressed that ontological commitments of critical realism are followed (compare Chapter 2). An independent reality, it is assumed, exists. Our perception of reality is not a mind game, rather it is a structure developed between subjects who view the world *via a priori* (phenomenal view). Thereby, different individuals will have varying perceptions of reality – none of which are alike.

The new approach to merger communication suggested in this section is based on an advancement of the idea presented in Figure 6.1. In the new approach it is assumed that when two subjects interact with each other during an integration process an overlap of the subject's 'underlying views' takes place. Such a condition is illustrated in Figure 6.3 where the new approach to merger communication is presented.

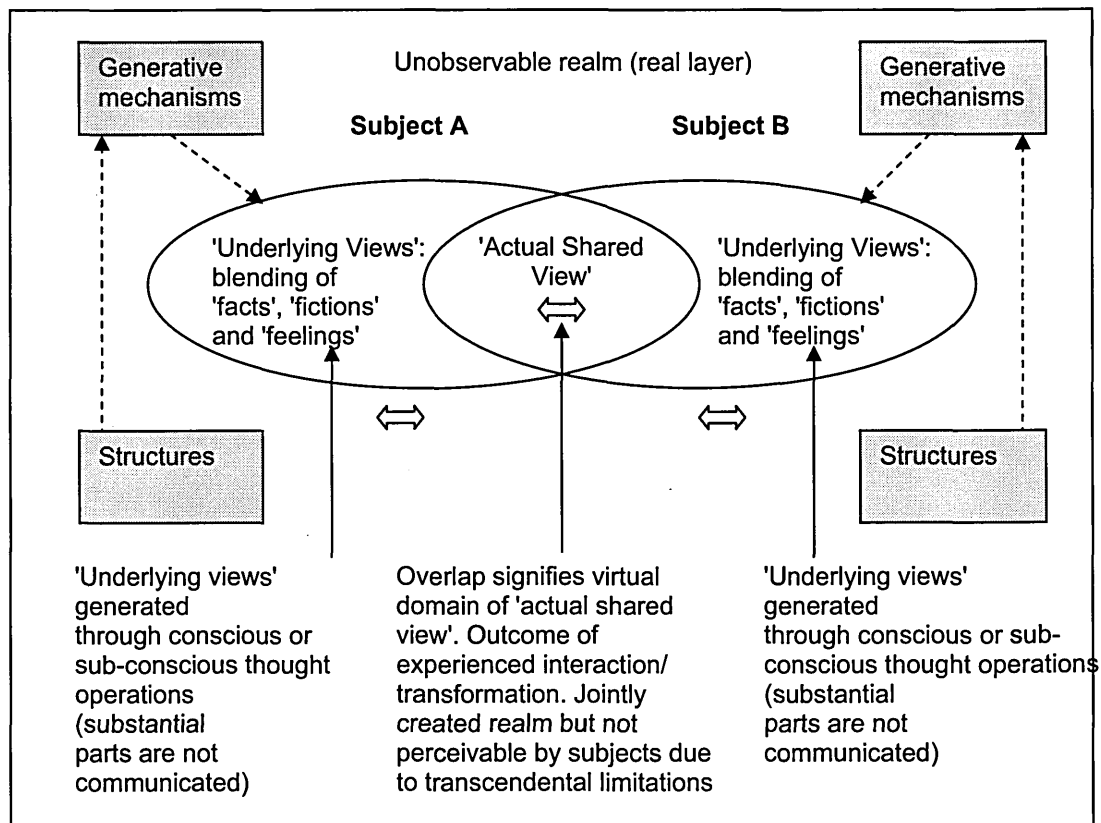
According to the findings presented in Chapter 4, interacting subjects create realms of shared views or shared understandings. These realms consist of parts of the 'underlying views' of those communicating. When people engage in interaction a form of mutual understanding is produced between them referred to as 'actual shared view' (signifies the area of overlap in Figure 6.3). The area of overlap describes the extent of understanding that the interacting subjects attain at certain moment in time. This overlap designates the core category 'quality of view formation'; a conception introduced in Section 4.1.4. The aspect of 'quality' refers to the extent of overlap attained. This means that a stronger overlapping of 'underlying views' will increase the extent of shared understanding, i.e. influence the 'quality of view formation'.

The consensual realms are produced through verbal or non-verbal communication (essentially through all sensually perceivable behaviour).

Both the 'actual shared view' as well as the 'underlying views' are indefinable constructs which cannot be observed by scientific means (at least not yet). In other words the exact content of people's 'underlying views' and their extent of overlap represented in the 'actual shared view' can only be approximated. These realms have no fixed or definable boundaries and are widely inaccessible to human cognition (Figure 4.7).

The suggested approach is in accordance with cultural approaches in which the situational settings condition the creation of shared meanings (compare Grossberg et al., 1998; Williams, 1958).

Figure 6.3 New Approach to Merger Communication



Source: Author

The domains of 'underlying views' and 'actual shared view' are considered to be momentary and unstable constructs. When people interact the produced realms of 'underlying views' and 'actual shared view' are assumed to be evolving continuously (constantly redefined) – there is no final state. As a result, the extent to which 'underlying views' overlap will vary as the interaction progresses (changes can thereby occur during the process of integration or during a conversation). As a result the interacting subjects will need to make constant assumptions about the level of 'actual shared view' they have with the subjects they are engaging with (compare Figure 4.7).

As noted earlier, people are physically or cognitively restrained in their capacity to fully access the social world (the ability to perceive objective reality is impaired). Due to varying perceptions of reality, the degree of 'actual shared view' attained will differ considerably and will depend on the people who interact. The extent to which views will overlap will also depend on the specific conditions (personal situation) of the interacting individuals – the structures and mechanisms that exert their powers on the individual.

The following memo excerpt serves to illustrate how the model relates to practical situations:

Subject A has certain 'underlying views' about the merger (thoughts, feelings, wishes, intentions or hopes) that he or she wants to share with subject B. Based on personal socio-cultural experiences and situational contexts (e.g. association with and roles in certain groups) these meanings are then, for instance, expressed verbally in form of words and mimic expressions. When subject B is addressed, he or she will pick up the words and facial expressions through the senses (optical and aural capabilities) and process them in the mind (consciously and/or sub-consciously).

While subject B is processing the signals from subject A, he or she will be considering how to react, perhaps by expressing certain words or by remaining silent. At the same time subject A will also be undergoing similar (not identical) interpretation processes as subject B.

In this situation both subjects may have reached a mutual understanding (congruence) of certain views concerning the merger. These 'actual shared views' are individually produced in each person's mind but represent the jointly reached level of coherent understanding of the meaning communicated. Subject A, for instance, may have intended to communicate a certain meaning, but may be unable to do so due to language barriers. In this case, subject B will not necessarily have registered the exact meaning intended by subject A and will form a different view of the situation. Only the area in which both persons share a common ground of understanding (not to be confused with agreement) signifies the 'actual shared view' attained.

These domains of shared views do not have distinct or observable boundaries. Although subject A and subject B have a status of 'actual shared view', it is not possible for them to assess accurately the level of mutual understanding they both share. The shared level of understanding with others can only be assumed and is thus prone to misinterpretation which in turn may lead to misunderstandings.

Misunderstandings are frequently caused where the 'actual shared view' differs from the 'perceived shared view' (perceived individually by subject A and B). It is important to understand that the perception of 'perceived shared view' does not correspond to the 'actual shared view' attained! Subjects A and B will both view their social reality differently.

The meanings perceived by the two participants may differ considerably. People engaged in interaction may, for instance, mistakenly assume that the extent of a 'perceived shared view' is the same as the degree of 'actual shared view'. As people rely on their sensory perceptions and interpretation skills they have no means of ascertaining just how great the actual degree of 'actual shared view' is. Consequently,

the disparity between 'perceived shared view' and 'actual shared view' is regarded as one of the primary causes for misunderstandings.

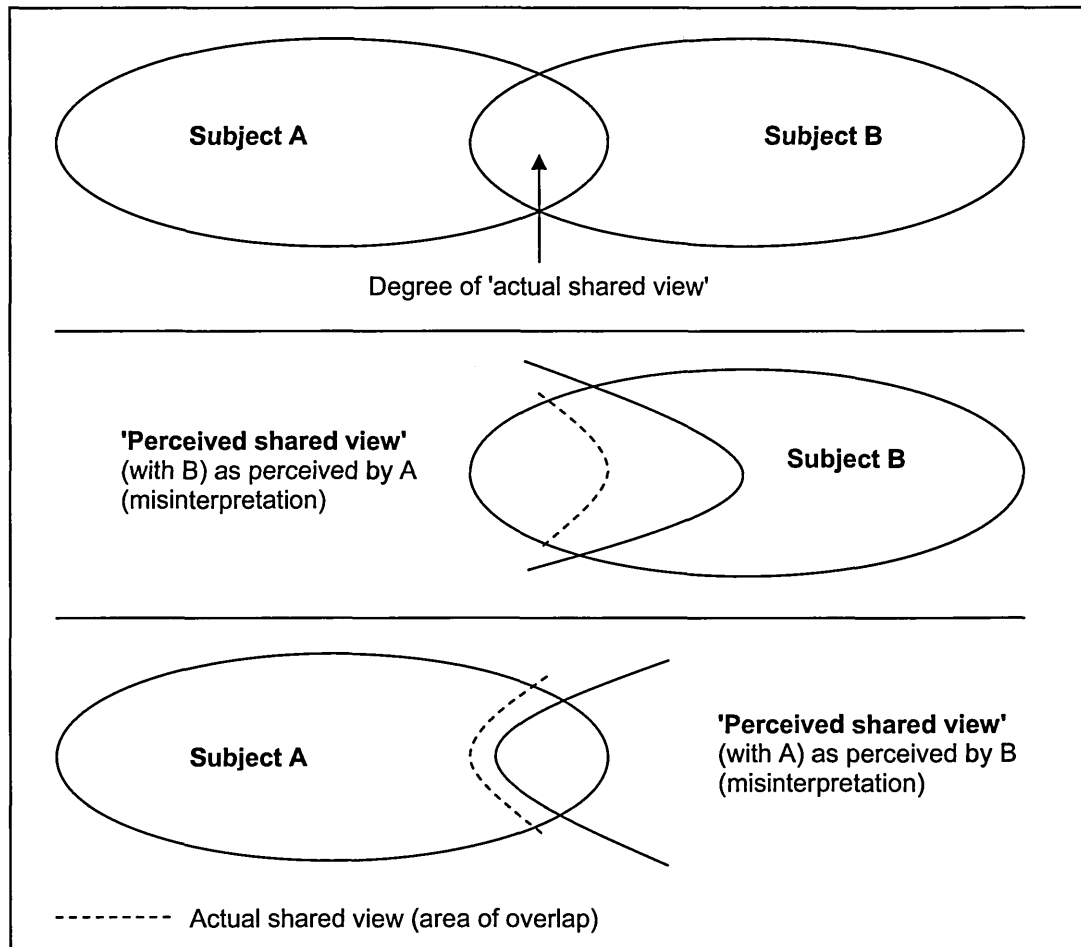
If subject B, for instance, has not had certain experiences or lacks certain knowledge mistakenly presupposed by subject A, then subject B may not 'process' the meanings contained in the communication as subject A intended. This circumstance can lead to confusion, misunderstandings or even false assumptions (reciprocally evolving in both the minds of subject A and subject B). The communication act may be inadvertently distorted, even though both subjects may have had sincere intentions to communicate openly and clearly.

(Source: Author)

Essentially, people base their understanding during a merger on their 'perceived shared views'. These 'perceived shared views', however, are merely approximations of the actual shared understanding attained. As a result many interaction events are susceptible to misinterpretations and consequent misunderstandings. Such misunderstandings were reflected in the primary data analysis (referred to as 'developing perception discrepancies' - main category) and appear to be a common outcome of merger related interaction. It seems that the human mind is not capable of interpreting reality in its entirety.

In Figure 6.4 it is illustrated that the 'perceived shared view' is merely a subjective and possibly an erroneous interpretation of shared understanding which does not correspond to the level of 'actual shared view' attained. The interview findings would suggest that the susceptibility of misinterpretations seems to be related to the extent of discrepancy between the 'perceived share view' and the 'actual shared view' between the interacting subjects. In other words communicated meanings are not processed by the other interacting subject as intended.

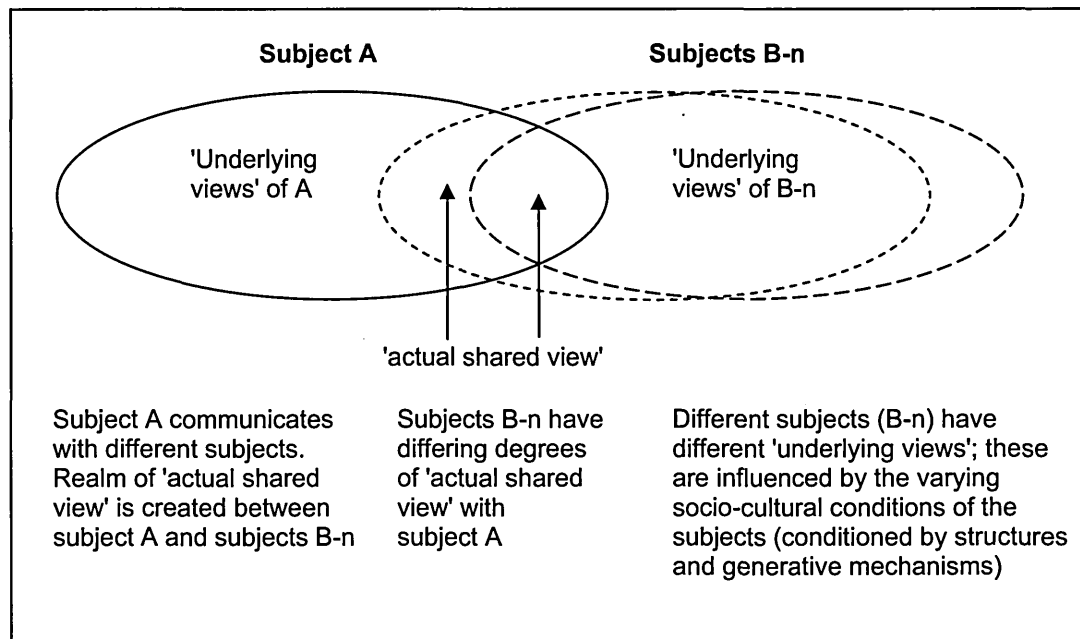
Figure 6.4 Perceived Shared View



Source: Author

Furthermore, when subject A interacts with different subjects B-n, the degree of 'actual shared view' between the subjects will differ. The 'actual shared view' attained will vary from person to person. Based on this assumption it is argued that interaction with different organisational members will not result in identical 'actual shared views' (there are no synchronised outcomes). In other words many variations of 'perceived shared views' will be produced. This assertion is illustrated further in Figure 6.5.

Figure 6.5 Varying Degrees of Shared View Formation



Source: Author

Further premises associated with the new approach are presented below:

- The approach accounts for verbal and non-verbal communication.
- The 'underlying views' held can contain both content and relational elements (compare Watzlawick, 1990) or they may also comprise elements related to self-revelations and appeals (compare Schulz von Thun, 1981). The suggested approach can therefore be linked to widely acknowledged communication theories.
- Different individuals are exposed to different structures and generative mechanisms. These structures (indirectly) and generative mechanisms (directly) influence and shape the 'underlying views' held by individuals. 'Underlying views' reside in individuals' minds and many of them signify implicit thought processes (blending of 'facts', 'fictions' and 'feelings'). Only certain parts of these 'underlying views' can be expressed, for instance, through language.
- When thinking and abstracting from certain experiences, humans seem to have a tendency to leave out a considerable amount of content or detail. Some fragments of meaning are therefore always lost, even if both parties willingly engage in open and extensive interaction. Due to the restrictions of our physical apparatus not all implicit assumptions can therefore be made explicit (compare Figure 4.7).

- Interaction also involves situations where one person purposefully tries to withhold meaning from the other. One or possibly both interacting partners may only intentionally express certain meanings in order to gain an advantage over the other subject. Communication can also be distorted because of other factors (e.g. language barriers, cultural differences, Abilene paradox, etc.).
- The level of joint understanding gained ('actual shared view') appears to be related to the similarity of personal or professional backgrounds shared by the interacting partners. There were, for instance, indications in the interviews that people with similar backgrounds (same hierarchy levels, comparable professional qualifications or similar working environments) shared more understanding than people with differing backgrounds (minor commonalities).
- Gaining a complete overlap of the 'underlying views' of different subjects seems to be unattainable.
- Shared views (whether 'actual' or 'perceived') are not the equivalent of agreement, acceptance or consensus! Shared views merely refer to levels of shared understanding.

The suggested approach is a first attempt to clarify the underlying processes of communication in mergers. Undoubtedly, further testing and subsequent refinement is necessary.

6.3 Philosophical Considerations

This section intends to exemplify how certain generative mechanisms and structures identified during the fieldwork research lead to 'underlying views' – a key concept of the new approach to merger communication. As we have seen 'underlying views' represent the basis for the creation of shared views; whether 'actual' or 'perceived'. This section extends the findings from the previous section by linking some of the empirical findings to the more theoretical new approach to merger communication. Furthermore, issues of empowerment are also briefly discussed.

Based on the findings made in Chapter 4, it is assumed that the mind gives meaning to what people encounter (sometimes consciously, sometimes unconsciously). Processes of the mind are ascribed to the layer of the real (see Section 2.3.2). As we have seen, communication involves the interaction of different subjects. During this interplay, different mechanisms (directly) and structures (indirectly) exert their powers on the individuals see Section 2.3.3).

To remind the reader, generative mechanisms refer to properties of an object or as Bhaskar argues "a generative mechanism is nothing other than the way of acting of a thing" (Archer et al., 1998: 38); essentially linking causes to effects. Structures on the other hand are objects embedded in society which also possess causal powers (compare Section 2.3.3).

The formation of 'underlying views' involves a number of mechanisms and structures that act together. Additionally, when two subjects engage in interaction, they are already conditioned by

numerous structures and mechanisms that have shaped their existing 'underlying views' (individually produced).

'Underlying views', it is assumed, are causally influenced by underlying structures (indirectly) and generative mechanisms (directly). These processes occur in the unobservable layer of the real. Powerful structures or mechanisms impinging on an individual may therefore lead to contingent behaviour in the observable layers of the actual or the empirical. The 'underlying views' held and the subsequent actions taken are thus dependent on whether certain generative mechanisms are set off or not (compare the discussion in Section 2.3.4).

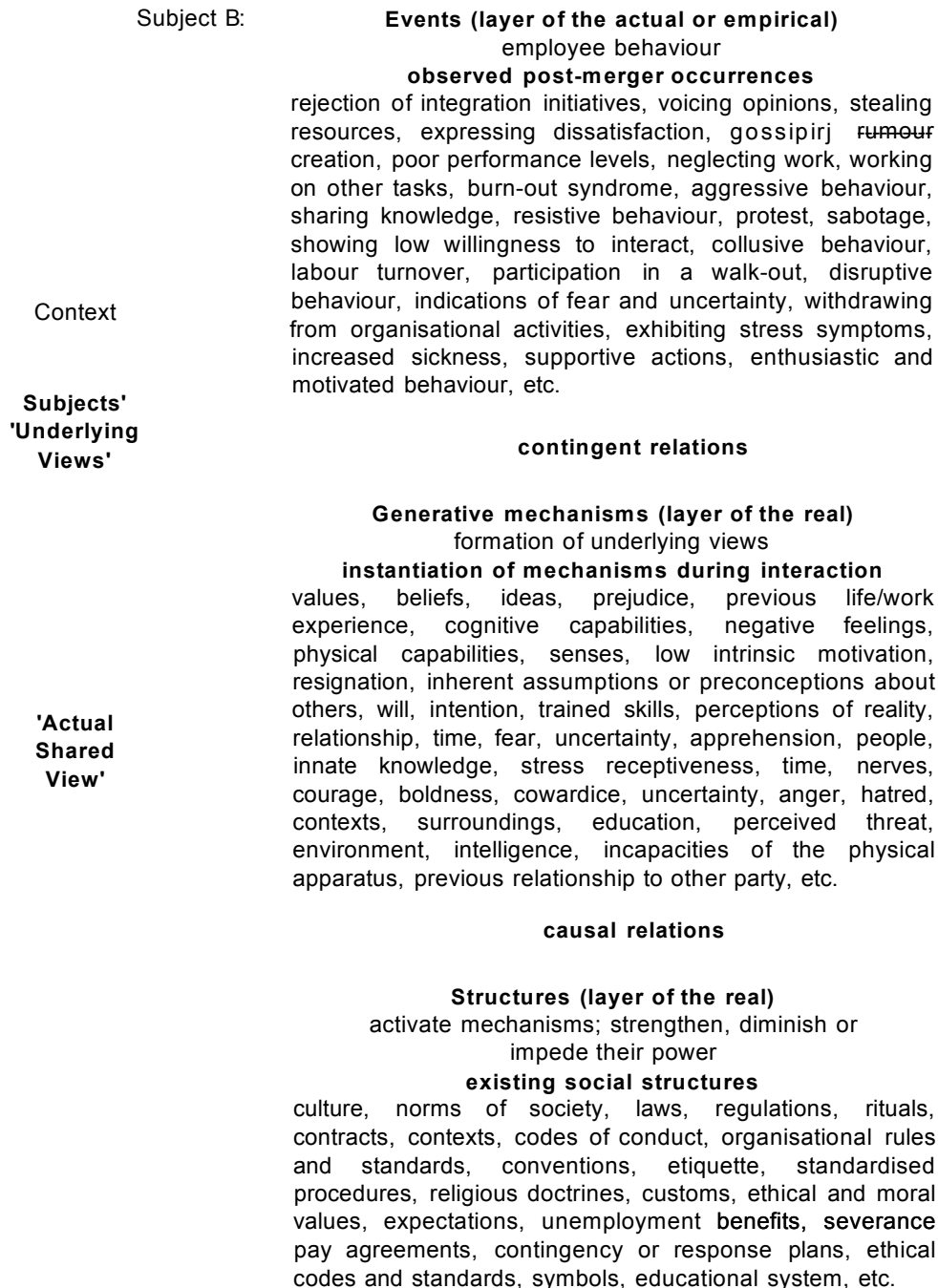
When communication takes place, other mechanisms will be set off which subsequently affect the degree to which views are actually shared (i.e. the degree to which the intended meaning is understood – 'actual shared view') as well as the degree to which views are perceived to be shared (i.e. the individual's assumed mutual understanding with the other subject – 'perceived shared view').

The primary data indicates that while views are formed between interacting subjects, different types of mechanisms come into play. There are 'internal' mechanisms (thought-related mechanisms) but also 'external' mechanisms (situational or context-related mechanisms). Additionally, social structures can produce or otherwise affect the impact of the mechanisms. During interaction specific mechanisms are activated and each subject will engage in internal deliberations. Depending on the subject's perception of the situation, he or she will respond by engaging in certain 'actions' or 'non-actions' (reciprocal activity). These actions can lead to observable events (or non-events) taking place in the layer of the actual or empirical (compare Section 2.3.2).

The 'actual shared views' created are interdependent; they signify dynamic and ongoing thought processes. Interaction, it is asserted, can continue to trigger mechanisms even after the individuals have ceased to be actively engaged with each other (compare Figure 4.7). In other words merger interaction can be enduring.

The findings presented in the figure below are based on retroductive inferences (notional assumptions of supposed mechanisms and structures) derived from the interview findings (Chapter 4) and the existing literature (Chapter 5). In critical realism, retroduction "moves from a description of some phenomenon to a description of something which produces it or is a condition for it." (Bhaskar, 1986: 11) The figure illustrates how structures, mechanisms and events may relate to one another and how they condition the formation of 'underlying views' in mergers (in this case from an employee perspective). The figure is not intended to be comprehensive or case specific, but rather wants to show that various underlying factors are involved in shaping this phenomenon.

Figure 6.6 Formation of Underlying Views



Source: Author

The theoretical challenge for organisations evidently lies in identifying and activating causally relevant mechanisms that may possibly lead to more 'favourable' merger interaction. To do this,

it would be necessary to identify relevant mechanisms and structures in order to assess their potential impact on the individual. In addition, it would be necessary to prevent the activation of conflicting mechanisms.

For merger communication, however, it seems a futile task to isolate specific mechanisms and link their causal relation (why something happens) to certain events, as mechanisms usually concur to produce certain events (compare Section 2.3.3). In addition, mechanisms in mergers are located in open systems (compare Section 2.3.5) and act on different layers in the domain of the real (compare Section 2.3.2). Additionally, lower level mechanisms are shaped and influenced by other higher level mechanisms (compare Section 2.3.2). Therefore, it may be more feasible to abstract groups of concurring mechanisms in order to examine whether they lead to desired events in social situations. Related issues like these require further exploration in future studies. We must, however, accept that many things will occur in realm of the real which are simply not observable or within our control.

Another aspect of critical realism relates to its emancipatory commitments.

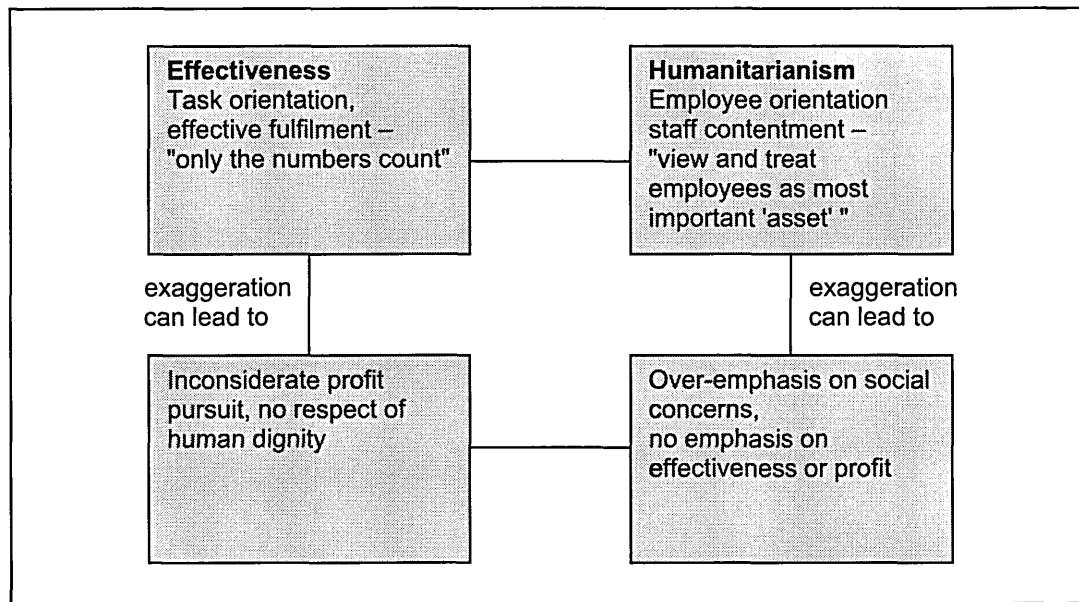
Some theory (Deetz, 1992, 1995; Habermas, 1971, 1984) indicates that communication is frequently abused in order to provoke unjust actions against those who are in weaker positions or dependent on the organisation. These assertions are also backed by some of the mergers and acquisitions literature (Demers et al., 2003) as well as by the research findings. A number of participants, for instance, reported that they felt that internal communication was actively initiated to suppress potential disagreement and unrest. Other participants stated that were deliberately influenced to endorse certain organisational measures (e.g. relocations, extenuation of labour time, salary cuts) that eventually turned out to be unfavourable for them. This behaviour by the management was rated as premeditated and deceitful.

Ideally, this study will have stimulated critical mindsets with some of the participants questioned; creating an emancipatory and more partnership-oriented focus in the minds of the respective participants. A number of participants stated that the interview process had led them to reflect critically on their own behaviour during the integration phase. Statements of this kind came not only from employees but also from several managers questioned.

Mergers, the analysis found, are often driven by different interests. Managers' views often collide with those of the workforce. In the interviews, the objectives of the leadership were often viewed as divergent from those of their subordinates. There were complaints that many managers were giving more considerations to factors like effectiveness, productivity and profitability than to the concerns of the people.

The model below is taken from Schultz von Thun et al. (2004) and illustrates the dilemma that leaders often undergo when trying to maintain conditions that suit both the organisation and its employees.

Figure 6.7 Balance between Humanitarianism and Effectiveness



Source: Schulz von Thun et al., 2004: 16, translation

Surely, a single focus on aspects of effectiveness and profitability alone will not be in the interest of the employees. Focussing too intensely on people issues, on the other hand, may eventually lead to the demise of the organisation; something which would be neither in the interest of the managers nor of the employees. Leaders must therefore weigh up which approach to take. Ideally, a balance should be struck between the two positions. Overall, the employees should be respected and involved more actively in organisational decisions, Schulz von Thun et al., (2004) advise.

While it seems challenging to involve employees in all decision-making processes, organisations may consider promoting more employee participation in some areas. It may, for instance, be advisable to establish employee task forces that guide certain integration measures. Based on the interviews it seems that co-workers are more likely to understand each other as they appear to be less prone to misunderstandings when they interact. There may also be more willingness to accept changes if they are brought forward by colleagues rather than by superiors. An empowerment of employees may possibly be in the interest of both superiors and employees. Critical realist conventions, however, would prerequisite that such a form of empowerment is not used to mask ulterior motives: the focus of such activities should be on gaining actual consensus between the management and the workforce. As one employee noted: "A lot of harm and unrest could have been avoided if the management had taken the trouble to involve us more." (employee, translation).

6.4 Preliminary Evaluation

According to the findings made, conventional views on merger-related communication require revision. The relevance of communication for integration activities is widely accepted, but many organisations appear to face difficulties when they interact. The efforts undertaken often end without the desired outcomes. Responsible executives, the research suggests, underestimate the inherent complexities that merger communication entails. In addition, many of the interaction activities appear to be plagued by misunderstandings.

In order to heighten our understanding of merger communication a thought shift from transmission-oriented information dissemination to more cultural-oriented forms of reciprocal interaction is recommended.

For this purpose a new approach to merger communication has been presented which is founded on the research findings and selected elements of the literature review. The suggested approach adds to cultural communication approaches and essentially provides new insights into how shared understandings during a merger are created. While the sharing of meanings is not a new concept, little is still known about how the sharing of meanings occurs, i.e. what mind activities are set-off. No explanatory framework could be identified in existing literature to fill this gap in our knowledge. The mergers and acquisitions theory on the other hand is confronted with the discovery that an instrumental approach to communication is of only limited use. Any attempts to guide integration efforts by implementing specific measures or actions (compare section 5.1.5) only appear to have minor effects on employees' behaviour. The interview findings would support that employees need to be addressed as individually as possible. From our current perspective, merger communication is not a thing that can be implemented at will. It seems a futile task to try to control let alone direct interaction activities during a merger. Organisations need to realise that communication is not a one-sided activity but rather a communal process that requires constant commitment.

The new approach suggested here emphasises that merger interaction activities are highly complex, context driven as well as unpredictable. The author refutes ideas that merger communication is merely about exchanging information or reproducing meanings. As the approach suggests, significant processes related to interaction occur in people's minds – the parts of communication that we can observe are only the products of these mind operations. We must realise that any employee behaviour observed after a merger essentially represents a reflection of an interaction event. Merger communication is ongoing and reciprocal and cannot reach a fixed state. When we interact our 'underlying views' are constantly fused with other subjects. Consequently, each interaction situation is perceived differently by each subject.

The new approach to merger communication suggests that researchers and organisations should concentrate on understanding people's 'underlying views' and the way that these mind

constructs are created; i.e. seeing the world from the perspective of the individual interaction partner. A more in-depth consideration of people's 'underlying views' will in turn provide indications to what extent views are shared with others. While this may not necessarily lead to agreement or consensus it may heighten understanding of people's behaviour.

During the course of this study former personal assumptions about an organisation's responsibilities and its way of communicating were radically reassessed. At the outset of the study a more management-oriented attitude had been taken towards communication issues. This view was fundamentally revised as the research progressed so that many forms of 'management behaviour' are now seen with more scepticism. The author, for instance, advises questioning organisational statements for their motives. In several cases described by the participants, merger communication activities were apparently driven by hidden agendas. Several instances were identified in which internal communication was used to subdue employee tensions and unrest (e.g. masking of redundancies, playing down of restructuring measures, pretending to consider employee interests). To be clear, merger communication is not generally regarded as canting, insincere or fabricated but one should reflect critically on how and why certain interaction takes place.

7 Conclusion

"Say not, 'I have found the truth,' but rather, 'I have found a truth.'" (Kahlil Gibran)

In this chapter the findings from the research are evaluated in terms of their contributions. This is followed by a brief overview of the limitations of this study as well as some of the implications for further research.

7.1 Contributions to Knowledge

At the outset of this study several developmental aims were outlined. At this point it is evaluated to what extent these aims were fulfilled:

1. Develop a theory of merger communication. This is done in two stages:

a) Use grounded theory to generate an empirically-based theory of communication in mergers.

One key contribution of this study relates to the inductive and systematic generation of a fieldwork theory using the grounded theory approach. Thereby, unstructured interview data was systematically analysed until a theory emerged. The findings indicate that merger communication is a reciprocal process in which views are produced and shared between the interacting subjects, i.e. a continuous process of social construction. At the same time people are restricted by their physical apparatus in ascertaining the level of views shared (mutual understanding) with others. The subjects are essentially reliant on their interpretive capabilities called to guide their interaction activities with others. The people in a merger rely on their subjective impression of what they take to be the actual extent of shared views (their perception of reality). There is no neutral point of reference to validate whether people's assumptions about each other are right or not. Most interacting subjects should therefore constantly question whether what they say, write or do has been understood by others and vice versa.

In contrast to the theory induced; the dominant mergers and acquisitions literature still widely assumes that communication involves the 'transferring of messages', 'information exchange', 'idea transplantation' or 'meaning reproduction', i.e. reduces communication to moving or exchanging information. In these texts (Bastien, 1987; Cornett-DeVito and Friedman, 1995; Haspeslagh and Jemison, 1991; Kramer et al., 2004; Napier et al., 1989; Schweiger and DeNisi, 1991; DeNisi and Shin, 2005; Shrivastava, 1986; Whalen, 2002), communication is degraded to a modifiable instrument, object or thing that can be implemented when necessary. While a few recent studies have equated merger communication processes to the sharing of meanings (Dackert et al., 2003; Gertsen and Søderberg, 1998; Kleppestø, 1998, Larsson, 1990, Larsson and Risberg, 1998; Risberg, 1997) many underlying conceptions related to this process require further exploration. There are also questions whether the subjectivist

ontological commitments presupposed in some of these identified approaches (Gertsen et al., 1998; Gertsen and Sørderberg, 1998; Kleppestø, 1998, 2005; Sørderberg et al., 2000; Vaara, 2000, 2002, 2003) are appropriate to describe reality (compare the author's divergent statements in Chapter 2).

Overall, the induced theory calls for a thought shift in the existing theory. The induced theory substantiates related (although not identical) perspectives on communication that have only found limited consideration in the mergers and acquisition literature (Gertsen and Sørderberg, 1998; Kleppestø, 1998, 2005).

The readers are reminded that grounded theorists actually regard the process of theory generation as contributing to knowledge; ideally grounded theory is a rigorous process of self-reflection and personal advancement. The theory developed by grounded theory does not necessarily have to be characterised by its novelty (Strauss and Corbin, 1990, 1998).

b) Juxtapose the theory developed with existing theory as represented by the literature to produce a critical perspective on the latter.

The generated theory as well as existing knowledge from the literature served as a conceptual base for the development of a new approach to merger communication (compare Chapter 6). This suggested approach is believed to show a more 'lifelike' perspective of how people interact during a merger compared to conventional models.

Basically, it is presumed that people create domains of joint meaning when they communicate. Merger communication comprises complex mind operations in which overlaps of 'underlying views' take place; producing the extent of 'actual shared views'. These 'actual shared views' denote the level of understanding (not agreement) that the people attain when they interact. In the approach it is suggested that realms of 'actual shared views' exist but that they are inaccessible to human cognition; the exact boundaries of communication processes are indistinct and cannot be delineated. The interacting subjects can merely make assumptions ('perceived shared views') about the extent of their shared understanding. Any organisations in the midst of integration should therefore consider these implicit mind processes before implementing any proposed measures.

The approach is original and serves as an overarching framework to increase our understanding of merger communication. The new approach does not seek to discount or refute existing knowledge (Bastien, 1987; Cornett-DeVito and Friedman, 1995; Haspeslagh and Jemison, 1991; Kramer et al., 2004; Napier et al., 1989; Schweiger and DeNisi, 1991; Shrivastava, 1986; Whalen, 2002) but rather takes a distinctive viewpoint of communication processes; showing that this phenomenon comprises many indiscernible factors. While a few academics in the area of mergers and acquisitions have regarded merger communication to involve the sharing of meanings (Dackert et al., 2003; Gertsen and Sørderberg, 1998;

Kleppesto, 1998, Larsson, 1990, Larsson and Risberg, 1998; Risberg, 1997), none have taken the development of this idea any further with an explanatory model.

The dominant mergers and acquisitions theory (Bastien, 1987; Cornett-DeVito and Friedman, 1995; Haspeslagh and Jemison, 1991; Kramer et al., 2004; Napier et al., 1989; Schweiger and DeNisi, 1991; Shrivastava, 1986; Whalen, 2002) is confronted with the discovery that an instrumental approach to communication is of only limited use. The research suggests that merger communication needs to be adapted to the individual subject as each interaction situation will be different (every subject has different 'underlying views').

2. Extend understanding of how domains of joint meaning are created by participants during a merger process and thereby examine the relevance of 'cultural communication' approaches in mergers and acquisitions.

The study advances communication theory which has been empirically tested out in merger settings, i.e. there was an examination of the interplay between communication and organisational integration. As a result the field of cultural communication, a route within communication theory (see Chapter 5), has been furnished with a conceptual framework which extends current understanding of shared meaning relationships. In this framework we learn how shared views are produced, i.e. what happens when different subjects interact during a merger. The explanatory approach illustrates that the interacting subjects have cognitive limits in understanding each other.

The cultural communication approaches have been neglected in the existing literature related to mergers and acquisitions (e.g. Napier et al., 1989; Schweiger and DeNisi, 1991). Only a few authors (Gertsen and Soderberg, 1998; Kleppesto, 1998, 2005) have introduced ideas of cultural communication in this area, e.g. related to social identities. While these alternate studies advocate that interaction during mergers involves the sharing of meanings and that realities are social constructions, little is still known about the underlying processes that are activated when people interact during a merger. The general literature on cultural communication (Carey, 1989, Deetz, 1992, 1995; Grossberg et al., 1998; Pearce and Cronen, 1980; Williams, 1958) has also only provided first indications on related mind operations.

In retrospect, cultural communication approaches are viewed as more suitable for addressing organisational integration issues than transmission-oriented approaches as they help to expose concealed issues. The transmission approaches concentrate too strongly on message dissemination and the resultant effects that these messages have on large groups. Cultural communication approaches, on the other hand, focus on the individual and his or her relation to others. From this viewpoint we gain a more reasonable explanation of why people think and behave the way they do.

3. Contribute to methodological understanding by testing the application of grounded theory in research that follows the epistemological commitment of critical realism.

The enquiry strategy probed into people's views and opinions and the way that they deal with their social world. Grounded theory proved ideal for gaining close insights into real-life situations and helping to capture nuances and intricacies in people's behaviour (compare Chapter 4).

Combining critical realist thought and grounded theory has been proposed for the study of economics (Lee, 2000, 2002) or human geography (Yeung, 1997). Overall, the experiences related to the combination of critical realism and grounded theory are still exceptional. No related research could, for instance, be identified in the area of mergers and acquisitions.

The study found that critical realism and grounded theory harmonise with each other; no relevant conflicts were identified during the course of the research. There is no doubt that grounded theory is useful for the study of social behaviour as it provides deep insights into people's values and beliefs. In order to meet the requisites of critical realism the researcher must, however, differentiate between the respondents' experiences (perspective of reality) and his or her own personal assumptions (compare the problem of 'double hermeneutic' addressed by Danermark et al., 2002).

As the findings are founded on 'empirical' data, the researcher must rely on his or her notional and conceptual skills to pinpoint the underlying causes for people's behaviour. Generative mechanisms and underlying structures are embedded in the layer of the 'real' and are not directly visible through mere enquiry. Therefore, the respondents' statements cannot be taken at face-value but necessitate cross-examination and critical self-questioning. It was therefore necessary to evaluate why certain statements were made; the underlying reasons or motives (not openly addressed) for certain behaviour needed to be identified (abstracted and teased-out). These explanatory capabilities are essentially rooted in the qualities of the researcher who must go beyond the immediately visible. Overall, a critical realist perspective extends the analytic requirements of grounded theory. While grounded theory also aims for the causal explanation of certain phenomena; critical realism specifically seeks to identify relevant structures and mechanisms; clearly separating these influences. The data is constantly questioned in regard to how and why certain things have happened. In critical realism there is a stronger consideration of ontological aspects. During coding the researcher needs to assess whether the participants' experiences are real or simply perceived as real. These reflections in turn need to be considered when building a conceptual structure.

7.2 Limitations and Implications for Future Work

It must be noted that there are several limitations to be considered in regard to this study:

Interaction during mergers is assumed to be more complex than the new approach to merger communication would suggest. Explanatory frameworks like the one developed can only provide a simplified 'reproduction' of complex social realities. There is simply no feasible means of incorporating all aspects of interaction into a single model. The suggested approach to merger communication may serve as a useful starting point that other researchers can use to explore specific facets of meaning creation. Therefore, it is likely that additional studies will further enhance the theory. For instance, followers of transmission-oriented approaches may be motivated to assess how their approaches interlink with the creation of 'shared views'. Realists, on the other hand, may further probe into relevant structures and generative mechanisms that lead to 'underlying' and 'shared views'. There are presumably still numerous structures and mechanisms that influence the process of shared view creation that have not been discovered yet (see further implications for research below). While the suggested approach has certain limitations, it clearly provides a more realistic image of shared view (meaning) creation than any other known concept.

The study has a prejudice to interview participants engaged in consulting and auditing activities. Although representatives from other fields of business were also interviewed, there is a clear bias towards members of these professions. In addition, almost all candidates targeted were based in German organisations. From this perspective it is clear that the interview sample is not representative in 'quantitative terms' and the findings cannot make any transferability claims to larger populations. Essentially, only views from a selected number of people were considered for this research. As mentioned earlier, the generalisability of the study's findings is limited to the persons interviewed. One should bear in mind though that generalising from one or a few cases is not the objective of grounded theory. The statements made are unique and/or restricted to the specific settings and the people questioned. Provided that the theoretical statements made are abstract enough, they may possibly - although not necessarily - also find applicability in other organisations undergoing similar conversions (compare Strauss and Corbin, 1998). The extension of the findings to other settings therefore remains open for further testing.

While it was endeavoured not to influence the respondents during the interviews, this cannot be ruled out. Furthermore, it must be stipulated that all coding activity involved interpretation (personal perception of reality) of the respondents' own interpretations (their perception of reality) - two potential sources of error! There is also a certain risk that retrospective memory accounts may have lead to inaccuracies.

Notwithstanding these limitations the research findings are regarded as sustainable. The listed deficiencies listed above were partly contained by evaluating the potential bearing on participants during interviewing, taking the participants' interpretation of reality into account and through constant comparison of the data. The systematic and formalised procedures adopted ensured for sufficient rigour, accuracy and dependability (compare Strauss and Corbin, 1998; Goulding, 1999).

The relevance of mergers and acquisitions in the business world are evident and there are currently no indications that this form of organisational expansion will cease in the near future (compare the financial volume of deals presented in Chapter 1). As discussed earlier the impact of mergers and acquisitions on people can be significant (see Chapter 5). Further research of communication in the context of mergers and acquisitions seems essential to gain more understanding of this phenomenon. While some related studies already exist their overall number remains relatively scarce. Especially, the number of qualitative studies, which may provide alternate perspectives of merger interaction processes, is still very low. This study has therefore taken a further effort to add to this area. However, there are still a number of implications for future work:

The fieldwork theory and the new communication approach suggested represent an attempt to rectify previous misconceptions about merger communication. However, neither the induced theory nor the suggested approach was subject to further testing. Other studies may therefore help to extend, modify or expand the approach's explanatory power.

In order to further enhance the understanding of the new approach to merger communication it is essential to explore the approach's application in regard to other variations. We need to learn more about how 'underlying views' develop and what aspects of understanding are shared with others. This area offers a vast amount of discovery potential.

The new approach to merger communication should be explored in regard to other industries. Organisations operating in different industries may have varying interaction practices. Future studies may, for instance, explore whether there are differences in the way that shared views are created in service-oriented organisations compared with technically-oriented organisations.

An interesting task would also be to contrast shared view creation processes between organisations from different countries (e.g. comparison of interaction practices between German and French organisations) or even continents (e.g. Asian versus North American organisations).

Further research may also examine to what extent cultural contexts influence people's ability to interact with each other. From this viewpoint it would be interesting to explore whether and how specific cultural styles like power, role, task or person cultures (compare Cartwright and Cooper, 1992) influence the way that shared views are produced.

In Chapter 5 it was briefly discussed that organisations can comprise of distinct and co-existing subcultures. Consequently, the interplay of these subcultures and their impact on the process of view creation requires further investigation.

Another important aspect in regard to merger communication deals with gender differences. Future studies may possibly examine the differences in the way that women and men develop and share 'underlying views'. Such a study could, for instance, explore whether gender-adapted communication may actually reduce merger-related misunderstandings.

As we have seen, the areas of culture and communication seem closely related. Especially, the sub-field related to identification during mergers requires more scrutiny in order to assess how interaction activities condition identification processes and vice versa.

As merger communication from the viewpoint of view creation is complex and difficult to grasp it needs to be investigated how this challenge can be overcome in the development of suitable post-merger activities and plans, i.e. how such an approach to merger communication can be applied in practice. The research findings suggest that merger communication should be directed at factors like empathy, empowerment, veracity, commitment or personal integrity rather than on the design and dissemination of messages. In addition, many activities involving mass communication appear ineffective, in isolated cases even counterproductive. The findings suggest that merger communication should be personalised as much as possible. Essentially, these are just a few aspects that require consideration for the implementation into practice.

Another feasible means of theory enhancement can possibly be achieved through the use of other research designs. Two such designs are proposed below:

The use of an 'action research' approach would allow for active participation of the researcher in an actual merger situation. Using an action research design would not only be an exceptional chance to monitor the ongoing interaction processes but also an opportunity to carry out continuous testing as the merger progresses (e.g. monitoring the effects of certain measures by seeking immediate feedback from those affected in regard to how they think and feel). The collected data could be used to examine how underlying and/or shared views are created between the interaction partners. An additional advantage of action research is that the researcher can address arising problems at an early stage. Such an approach may therefore provide benefit to both the management and the workforce.

Another opportunity to further develop the approach to merger communication may also arise through a 'case study' based approach. Such a design could, for instance, generate additional knowledge how shared views are created across different industries or professions.

Overall, merger communication deserves more consideration in forthcoming research.

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