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Storying collective decision-making: supporting collective action after a major organisational change

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Storying collective decision making:
Supporting collective action after a major organisational change.
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Abstract
This paper analyses a case study, the merger of two multinational companies, in the light of collective decision making. The particular organisation on which our analysis focuses is a traditional UK based British engineering company that in 1999 bought a collective of family-run businesses, scattered across Scandinavia. This paper draws on the findings from a research project carried out with the newly created company during the post-merger period. The paper explores how the two collectives brought together via a merger are trying to work, make and implement decisions and move forward. The analysis shows how the tension generated by the different narratives brought to place in the merger and the initial resistance to engage in collective action was finally overcome by the co-authoring of a new narrative, a new 'proceduralised context'. This collective co-construction is seen in the paper not as a final output but rather as part of a constant becoming, a 'liquid decision making' process (after Bauman, 2000). A finding of this study is that enabling symbolic spaces (contexts) for new narratives to emerge and develop can support the improvement of collective actions.

Keywords: Mergers and Acquisitions, collective decision making, co-authored narratives, qualitative methodology, stories.

1. Mergers and acquisitions, collective action and the narrative context

After a merger or acquisition process most organisations focus on the integration of the different ways of working that the now joined organisations have. In addressing this concern, research has traditionally focused on 'post-merger integration'; suggesting that efforts need to be concentrated in achieving the successful post-merger 'acculturation' of both companies. This usually implies achieving a 'symbolic closure'. The emphasis is therefore on the 'outcome'; rarely does research focus on the process of becoming a new –different- organisation and how that collective action is decided, implemented and accomplished. It is this area in the study of M&A, and its implication for collective decision making that this case study seeks to illuminate.

When it comes to M&A , there is a general agreement about the overwhelming percentage of failure in the process (Allen, 2002; Deloitte and Touche, 2000; Larsson and Finkelstein, 1999; Hunt, 1998); as well as consensus over the fact that we do not know enough about these 'complex events in organizational life' (Larsson and Finkelstein, 1999:1) in order to say why they fail. Undeniably, organizations do not undertake M&As for the sake of learning or experimentation, the ride is too costly and often painful. M&As are usually strategic moves to expand and create new opportunities for commercial organisations. Organisations attempt M&As when trying to realise synergies (Larsson and Finkelstein, 1999), create value (Haspeslagh and Jemison, 1991, in Vaara, 2002) or to transfer capabilities from one organization to

another (Laamanen, 1997). However, it would appear that despite the growing literature dedicated to the area, there is a 'black box' when it comes to understand the success or failure of these organisational processes (Allen *et al*, 2002). It is to the opening of this 'black box' that this paper aims to contribute.

Allen *et al* (2002) contrasts organic growth with mergers and suggest that "mergers […] challenge organisations…in a very fundamental way. It is this transformation of structures that presents serious management problems." The authors' highlight the time-dependency involved in developing the synergetic and increased performance levels of a merger. They conclude that "success is not easily achieved as it involves combining firms that previously operated competing business models, that were organized, structured, and operated in their own idiosyncratic fashion and which contain different people that 'know' and share different things." (Allen *et al*, 2002:326).

The outcome of an M&A entails a *combination* of human, material and financial assets of at least two organizations in a new legal and accounting entity (Hunt, 1998:324). In most contexts, to combine two things supposes certain characteristics. The action necessarily brings change. Furthermore, combining also requires some sort of union, link or relationship and the 'outcome' – or 'whole' – will not be the same as the parts which were brought together – sameness is the domain of cloning, not combining. In the context of M&As the entailed *relationship* is implicit in the behavioural metaphors which have been used to talk about these events (Hunt, 1998; Schneider and Dunbar, 1992). Looking at media narratives Schneider and Dunbar (1992) argue that hostile takeovers can be seen as *inter-organisational* events that threaten organizational identity and integrity. A hostile takeover creates what they call a "narrative thirst", a need for explanations that reduce uncertainty and in doing so provide the illusion of control.

The dominant view is that the entities involved in an M&A need to 'integrate' or more accurately to 'assimilate' after the merger is 'completed'. Existing research in the area tends to represent mainly the economic, financial and management approaches to integration, ignoring the more social, cultural and psychological aspects of the process. Cultural research, however, has focused on achieving 'acculturation' through 'social controls' (for example: Larsson and Lubatkin, 2001:1573) as opposed to allowing for a more organic approach. However, if a M&A, as suggest above, is a case of 'relationships' and 'wholes', then a different approach may be required. The point about relationships is that they develop organically over time. The point about wholes, which are different to their combined parts, is that they will contain 'emergent' properties. The question then becomes how are these relationships played out and what *happens* when two organizations are combined? It is suggested in the paper that the success of an M&A lies in the organization's ability to identify the emergent properties of 'combining' and to enable those properties, thus encouraging 'organic-ness', in an otherwise mechanistic process (Garcia-Lorenzo and Nolas, 2005). This, it is argued, may be achieved by looking at the collective process of co-authoring narratives and listening to the tensions which, naturally abound.

The analysis of the empirical material explores this hypothesis from a collective decision making point of view. It looks at how two organisational collectives under the stress and pressure for change, really react to problems of working together, of making and implementing decisions. Understanding how those groups go about decision making should in principle, tell us more about those characteristics which "we should endeavour to build into our decision tools" (Humphreys, 1997:3). Collective decision making is difficult to achieve when even

'the organisation' itself is difficult to define –i.e. in the mist of a merger or a post-merger process-. It becomes then imperative to develop a new language, to create a narrative space, which can help to understand the new organisational boundaries and support the improvement of collective actions.

Brezilion (this volume) in describing how a 'proceduralised context' comes about in organisational collectives, considers that 'group norms' are one of the most important dimensions that affects the kinds of decisions made in organisations (pg 126). Thus, that a key point of the decision-making group is its collective knowledge and the context in which this knowledge is expressed. The model presented helps us to understand what kind of knowledge is already shared by a group, but we have little information of the process by which that knowledge became to be shared when for instance, collectives do not share the same history. Indeed, most of the models presented for collective decision making assume some level of shared knowledge and/or working habits among the members of the collective. A M&A process however presents us with another challenge: among two organisations brought together by a M&A, there might not be previously agreed or shared knowledge. And yet if they are to move forward, the decision making process still has to be collective.

Thus, we might need to explore further how a 'proceduralised context' is actually produced and how what might become part of that contextual knowledge gets accepted by the collective and eventually becomes taken-for-granted and shared. The case presented in this paper aims to explore in detail one such process through which members of two organisations co-construct a narrative, a framework, in which potentially contextual knowledge is shared, contested and co-constructed before a co-authored image of a potential future after the take-over emerges. This emerging narrative however is not taken here as the 'final' collective decision to be implemented but rather as what Humphreys and Jones (2006) would call a 'rhyzome in the decision-hedgehog'.

The analysis shows how the collective co-authored a new potential 'organisation'. The process of collaboration or co-construction was however not linear or conflict free. Due to the lack of 'stable structures' and constant becoming, that a M&A process implies; the collective decision making process becomes 'constantly drifting', a bricolage, open, associative and decision maker driven (Humphreys and Jones, 2006:15). Through the co-construction of a narrative, knowledge, people and environment are created. Thus, the narrative in being co-authored becomes a 'proceduralised context'.

2. The case study

Methodology

The empirical part of the paper is informed by data collected during a research project with a UK based international engineering company – henceforth *Acquirer Business* (AB)[1].   One of the project's aims was to understand some of the organisational challenges being faced by the company after the M&A process. The paper is based on the research collaboration with the marine business of the organisation – henceforth the *acquirer marine business* (AMB)– following an international acquisition of a collective of Scandinavian companies – henceforth the *Collective* - in 1999. The resulting research aimed to reflect both the business needs

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[1] For an extended description of the organisations and the research project on which this paper is based see Garcia-Lorenzo and Nolas, 2004.

and the research aims. Our analysis of the data draws from a set of 15 semi-structured interviews and is further supported, by the discussion groups and workshops that were part of the project's qualitative methodology. The research described in this paper has followed a qualitative approach to data gathering and analysis. This approach implies essentially an emphasis on processes and meanings rather than on an examination or measurement in terms of quantity, amount, intensity or frequency (Van Maanen, 1982).

For a period of six months, the LSE research team worked in collaboration with the 14 volunteers from the AB's fast track career programme. Together with these 'internal researchers' we were divided into four teams. Over a three month period we conducted 44 interviews with senior management in the UK, Scandinavia and the US. The interviewees accounted for 60% of AMB's senior management at the three senior management levels – i.e. president and the executive committee, to their direct reports and their immediate next reports. The interviewees also represent the two industries making up the ABM – Commercial and Naval -, the different nationalities (UK, Swedish, Norwegian, Finish and American) and the different organisational units (production/operations, customer interface and functions). The semi-structured interviews ran for an hour and a half, they were tape recorded with the interviewees' consent and then transcribed verbatim.

In the following section, we present the analysis of the data from which the employees' stories have been extracted. Stories are one of the main forms of discourse through which organisational members share and transmit their experiences and therefore co-author their organisational reality. The analysis of those stories followed a combination of a top-down (theory informed) and bottom-up (emergent meanings and categories from the data) approach. The first analysis coded the interviews by general categories. Following this initial analysis, codes were then ordered in terms of their frequency revealing the themes that interviewees were more concerned about. A second analysis focused specifically on the 'post-merger integration' and followed a combination of *thematic networks analysis* (Atrride-Stirling, 2002) and narrative analysis (Jovchelovitch, 2000; Vaara, 2002; Garcia, 2003).

The main unit of analysis was the AMB, however we aim to express the different voices of acquirer and acquired pre-merger organisations. The use of different methods of data gathering – interviews and discussion groups - corresponds with the attempt to use different viewpoints to gain a greater understanding of the phenomena being studied adding rigor, breadth and depth to our investigation (Flick, 1992). The different methods can also facilitate and legitimate the diverse chorus of voices, interests and perspectives that exist within an organisation. Thus, using an interpretative approach and different methods of data gathering implies also looking into the multiple narratives that give voice to, and allow the construction of multiple organisational worlds (Alvesson, 1995).

The context

The AB started off as a partnership in 1884 and has since built up a world renowned reputation associated with engineering excellence. The company's established engineering success, especially on developing the gas turbine which has become its stamp of identity, plays a fundamental role in shaping the company's reality and its ways of working. The 'aerospace' nature of the business brings with it a high risk and dire consequences in case of engineering failure. As such, working

procedures, processes and standards are rigorous and closely controlled. The structure of company however, is described as a 'matrix'. The company's functions –i.e. HR, finance department etc- are separated from the business, the production/operation and customer interface units. This is a relatively new change since historically both functions and units used to work as one. In 2003, the AB catered for four different markets: civil aerospace, defence aerospace, marine and energy.

This paper concentrates on the Marine business which prior to the 1999 acquisition catered solely for the defence marine market in the UK. The organization's launch into the, until then, unfamiliar territory of the commercial market, doubled its capabilities and remit almost over night (the business is now approximately a 7,500 people operation; the majority of which are non-UK employees). For a company used to long time horizons and a slow pace of change the acquisition thrust them into uncharted territory.

The Collective on the other hand, could be described as historically family-run businesses, scattered across Norway, Sweden and Finland. Prior to the current research, the Collective had undergone a series of previous acquisitions – from within Scandinavia followed by an acquisition from a British defence company. As such the acquisition described in this paper was the second in a previous line of acquisitions. The product and brands acquired by the British defence company were not only very strong in the commercial marine market, they were also very closely linked to the sites and communities in which they were produced. Furthermore, it is important to note that because of the short time-lapse between the two acquisitions (the British defence company's acquisition and then AB acquisition of the Collective) there had been no 'integration', as such, between the British defence company and the Collective by the time of the second take-over took place.

The Scandinavian company which bought part of the Collective in the first acquisition dates back to the 1970s. This Norwegian company however, was more entrepreneurial and robust in their way of working than AB. Their flexibility is derived from the commercial market in which they work: time horizons are much shorter than in the military defence market and change is an expected part of everyday life. Conversely, having only been a listed company for a short time, existing outside the more public sphere of business may also account for their more flexibility. The Scandinavian company, which brought the collective of small businesses, developed from a ship yard into a 'whole value chain', that is a complete provider of not only of vessels but also equipment, design and aftermarket support. The company grew rapidly, and in a very short period of time, with the offshore boom in Norway in the late seventies. Capitalising on the boom, and the knowledge developed during this period, the company transferred it to work stations around the world and is considered an international company.

In September 1999 AB acquired the Collective. The acquisition of the new business is described by both *acquirer* and *acquired* as more of a hostile take-over rather than an M&A. Attempts were made to foster a more amicable climate, including a consultancy-facilitated conference in May 2000, however these were unsuccessful in achieving their goals. The following year saw a change of HR management, a new president for the AB and the relocation to Scandinavia of key senior figure. These events helped to create a more positive atmosphere. Finally, in May 2001 an Annual General Meeting was held for all AB senior management from the UK, Scandinavia and USA. During this meeting, delegates discussed what the key post-merger concerns were and suggested ways for dealing with them. The meeting brought up key organisational concerns which were explored in this

collaborative research – 'cultural awareness' and 'roles and responsibilities' for 'working together'. What follows is the story that developed after this event.

After the merger

One of the key tenants of the narrative approach is the ability to describe organizational change in different ways, revealing multiple interpretations of the post-merger situation and ensuing change (Vaara, 2002:217). The analysis of the data revealed that employees in both organisations positioned themselves differently with regard to four different but interrelated areas of concern: the effects of the merger on each company's reputation and brand name; the autonomy that the acquired firm would have in light of tendencies towards centralisation of the acquirer company; the type of organisational form that the new join organisation will have and how to make use of the human richness and variety that the merger had brought about. These themes, and the stories they inform, underline key concerns and unresolved anxieties that employees of both companies had and that potentially have made any common action difficult. And yet, surprisingly, those tensions were expressed in a similar way regardless of company or country of origin. These themes constitute a 'narrative of progress' that shaped the employees understanding of the change process and that allowed for a potential 'coming together after the merger' through a newly constructed narrative between the employees of the two organisations.

This 'narrative of progress' helps employees of both organisations to make sense of their experiences as well as serving as a guideline for future actions. Prior to the merger AMB had been clear about what they did, how to do it and why they did it. They were also clear about their future direction: expansion and growth. AMB specifically brought the Collective because they were leaders in their field. However, having accomplished that expansion, the planned future seemed to present problems when the company's identity and ways of working were challenged by their association with the Collective.

Indeed, when people get involved with other stories and cultural beings they tend to reach what Hill calls a level of 'historical consciousness' (Hill, 1988:7) that presupposes the notion of 'the other'. That is, any definition of a cultural self always involves a distinction of the values, characteristics and ways of life of others. This definition does not usually arise in situations of relative isolation, prosperity and stability. A period of instability and crisis, a threat to the old established ways, seems to be required, especially if this happens in the presence of, or in relation to, other cultural formations. It is when something assumed to be fixed, coherent and stable is displaced by the experience of doubt and uncertainty that challenges to the established cultural order occur (Garcia-Lorenzo, 2001). Table 1 summaries the coordinates of the narratives brought about by the merger situation for the employees of both organisations (see also Garcia-Lorenzo and Nolas, 2005). Reading the table from left to right, we go from the common and explicitly discussed themes among the employees to look at the underlying tensions the present different possibilities of what the organisation could become in the future to end with the narrative coordinate the frames that discussion. The challenge would then be how to move from the present coordinates towards a co-created narrative space that would support collective action and decision making among the employees of the merged organisations.

Common discussed themes	Underlying Dialogical Tensions	Narrative co-ordinates
Working together, standing apart.	To support homogeneity or capitalise on differences	**What**: working practices
The different organisational structures	Matrix organisation vs. networking organisation.	**How**: organisational structure
Formal decision-making process and ownership	Centralised vs. federal organising .	**Who**: power relations
The brand	Focusing on the product or on the customer.	**Why**: strategy focus.

The challenge of coordinated collective action

The main concerns employees from both companies had in relation to the new situation was how to work together. The idea of two separate organizations based on different national cultures needing to be merged together, is pervasive.

Indeed, one of AMB's self-imposed tasks after the merger was to deal with the 'cultural difference' by raising awareness among all employees through seminars and workshops. However, they explained *business* cultural differences through *national* cultural difference. Whereas this had been a good first step in dealing with the post-merger situation, two years post-merger, there was a strong feeling that national cultural idiosyncrasies could not longer be held responsible for the continued challenge of working together:

> "The national cultural variances is one thing, you can't do much about that except for, of course, be aware of it. But there is I think there is more company cultural variations from one place to another…" *(VP Business Division; Collective –Norway; Commercial; Customer Unit; 6:30)*

Attributing difficulties of integration to difference in national culture, resulted in obscuring the tension regarding the different ways of working at market/industry level. Whereas AMB is designed to cater for both the naval and commercial markets the two markets are however driven by different requirements and values. For example, the commercial market is driven by short lead times and large customer basis, whereas the naval industry works with much longer lead times and fewer customers. Extensive reporting procedures, both financial and technical, overshadow the purpose of the commercial organization, in particular their relationships with the customer. For AMB however, the bureaucratic processes and procedures are necessary since constant checks make the products safe and secure and therefore safeguard the organizations reputation in the market.

The failure (slowness) to find an 'integrative' definition of what the new company's focus is going to be on, is attributed by both organisations to not having the 'right people'. AMB wants to find the right people to rectify this situation. The Collective considers that they are the right people: they have been successful in the commercial market for years and were brought for this reason. They are therefore the most appropriate people for the job:

> "Having the right people on board. Because there is so many things come with people, their ability to communicate their willingness to change, their ambitions, willingness to be successful and so a lot of things come with people. People is really the key to success. Competent people." *(VP Business Division; Collective -Sweden; Commercial; Operation Unit; 4:61)*

In terms of future directions both organisations assume that 'assimilation' was the way to deal with the challenge of the merger. AMB was in fact aggressively promoting it whereas the Collective assumed it would happen and was defensive about it.

In attempts to move away from the 'sole-product' (gas turbine) way of working, AMB adopted a matrix structure separating its functions from the rest of the IEC businesses and reorganising itself internally into two main segments: the operational/production business units and the customer interface business units. The segments were intended to focus on different markets and customers needs. However, the tradition of one-product (gas turbine) one-market (defence) business restricted this move.

Different organisational structures

As such, one of the main challenges that both organisations faced after the merger was to asses their different ways of organising. Whereas AMB was described as a 'hybrid matrix', inward-facing and shaped by their technology; the Collective described themselves more as a network, outward-facing and working in partnerships with customers to respond swiftly to customer demands. AMB was used to 'internal' customer relationships and defence industry contracts which run on a long-term basis and provide on-going security. This tension was specially felt by the Collective:

> "our global network is tailor made for supporting the marine business and [the company] is again looking for synergies that doesn't exist and I'm afraid they could end up again destroying the business by looking for non-existent synergies." *(Executive VP Business Division; Collective-Norway; Commercial; Customer Unit; 1:17)*

When the managers from both organisations referred to the structure and configuration of AMB, they talk about its 'segmentation' at several levels and the problems this causes. The label conveys also the 'complicated' or 'messy' structure of AMB. Segmentation also has implications for the 'space' in which collective action can take place as well as for limited or partial information sharing. The over-emphasis on each 'segment', and the need to manage and control them (i.e. function, business, production and customer interface units), focuses the attention on each separate 'segment' and its efficient functioning rather than on the relationships between segments and how they work together within an overall organization. Connectivity is further hindered by the absence of integrated information systems (e.g. databases and email). Maintaining connections across the organization, and therefore relationships was therefore seen as very important for any future collective action:

> "If this is to work, there has to be an extremely good link between market segment and operations and after market… Someone, and this is a quite challenging role for the top management to lift themselves up and understand what's going on, because they are talking about huge organisation, and … someone has to understand what is going on as a whole for the future …" *(Site Manager Factory; Collective – Norway; Commercial; Operation Unit; 2:46)*

Formal decision-making process and ownership

The acquisition, and subsequent encounter with the 'other' –the Collective-, surfaced taken-for-granted assumptions regarding identity, culture, organizational structure and 'power' in both organisations. Although the Collective was acquired by AMB they were in fact living AMB's proposed future as a 'systems integrator'. Thus, the Collective had in a short space of time gone through the AMB's desired development trajectory before being bought up. The Collective are the producers of a variety of products and attend to diverse markets, they are forced to be outward focused, tending to the needs of very different markets and customers, as well as providing 'whole systems solutions' for those markets and customers.

This is why the third common theme expresses the tension between autonomy and control –headquarters vs. periphery- among the two organisations. It correspond with the description of the M&A as a 'hostile take-over':

> "…they had to split the cake and decide who is in what and when you have worked for the Company and many, which most of the people have for many years there is a loyalty to them. So, there is an internal war that we are not releasing that information because they are taking over and what have you..."(VP Business Division; Collective –Norway; Commercial; Customer Unit; 6:5)

The 'empire building mentality' felt by some as to be guiding the acquisition, illustrates also this tension. The use of this metaphor by the Collective reflects an increasing frustration with the lack of openness. They also feel devalued as a leading commercial business and therefore under threat. On the other hand, AMB insists on the need to develop a common 'standard' based on AMB's working practices, across the now 'merged' organizations. The new working standards are perceived as both positive – improved financial management- but also threatening. When the imposed standards impact on customer relationships or management of the world-wide service network of the Collective, then such standardisation is 'centralising and problematic':

> "but the basic behind the ways of working, the style of working is quite different but it has to be adopted to our type of business…but you have to actually select what is right for our type of business. You can't turn a marine business into an aircraft business, that's totally different." (Site Manager Factory; Collective – Norway; Commercial; Operation Unit; 2:21)

Centralisation implies a neutralisation of the Collective's decision-making power and expertise value. Participation in the decision-making process of the new company appears to be beyond their reach, despite knowledge, skills and contacts in their particular market.

> "I think they feel as the owner, I think they have bought this company, they own it, I mean it's not ….. I don't feel that they treat the other, as equals." (Executive VP Business Division; Collective-Norway; Commercial; Customer Unit; 1:40)

This centralized model of decision-making is a central feature of AB's way of organising, despite the official 'matrix' organization. Control is exerted from the top down and from the centre towards the periphery. The Collective view their survival as dependent on the continued ability to be flexible through a distributed and decentralized decision-making model:

> "it is a much bigger organisation and for people who've just been working for many years, as I myself actually, in a small organisation you get used to speak with the owners every day and discuss problems coming up and you get a decision there and

then…"(*Site Manager Factory; Collective – Norway; Commercial; Operation Unit; 2:12)*

The autonomy vs. centralisation tension constitutes a first hand experience for both the AMB and the Collective. Here, we can actually visualise the 'ongoing battle' where history plays itself out, in an attempt to shape the organizational culture(s) of the future. The current struggle over ownership of business and market is likely to play a significant role in the future development of business.

Rethinking the Brand

The new company's identity and vision is also challenged by the merger. A way of understanding this challenge is through the technological development and the vision for the company's future. AB is a technological innovator and leading in a particular type of technology, in this case the gas turbine. As previously mentioned this technology shapes the way they work. The technology requires specialised behaviour which is context specific. Sometimes this localised way of working does not transfer easily. This is starting to shape all the work processes of the new company allowing the Collective little autonomy in their field of expertise

The organisations reputation and self-identity of excellence in the field, both in terms of quality and standards are also being challenged. For instance, one of the main characteristics of AB is the emphasis placed on 'engineering excellence' and the belief that the key to future successful development lies in continuing this tradition. The AB is a leader in its field, and interviewees frame their experience of the organization in these terms. However, the other side to this is, that the pride associated with excellence is followed by a certain degree of arrogance:

> "…across the whole of [the company] there is a strong pride in the product and the technical excellence of the company." *(Programme Director Business Division; AB-UK; Naval; Customer Unit; 10:14)*

From the perspective of the Collective, interviewees acknowledge the 'engineering excellence' of AB but also report that the imposition of the associated standards may inhibit new ways of organizing more appropriate for the commercial context. In that context, the success of the business relies on the 'relationship with the customer' and not only on 'engineering excellence'. That is why the possibility of inappropriately transferring a way of working from one context to another, is already perceived as negative in the emerging narrative of a new joint organization:

> "I hope that everything we do is connected to the market. Everything we do should be driven from the market and we should organize ourselves from that perspective." *(VP Business Division; Collective -Sweden; Commercial; Operation Unit; 4:6)*

Brands embody both organisational identity – 'engineering excellence' and 'relationships with customers' – and external relationships. At the time of the merger AB initiated a process of 'brand co-existence' with all the Collective brands, in order to ensure a degree of continuity with traditional Collective customers. From the perspective of the Collective, AB brand represents quality and adds to their already strong and reputable brands. However, the AB brand, as an unknown brand in the commercial marine industry, also brings with it price perceptions:

> "…the [AB] brand […] works two ways. It has the quality image attached to it but definitively it also has a price image attached to it. So I'm not so sure whether that, in

what way, that has worked for us, to be honest – it could be both ways. But also the brand name is definitively a brand that is easy to join together as our own brand, I think it's something that probably makes staff proud of being a part of the brand name." *(Executive VP Business Division; Collective-Norway; Commercial; Customer Unit; 1:12)*

In our case both organisations – AB and Collective – are sites of embedded knowledge and expertise. Their knowledge and expertise is appropriate for the context in which they operate and defines them both. In a merger process, trying to 'assimilate' can create an asymmetry resulting in the lost of the very knowledge and expertise the new organization would like to preserve as its strength.

The acquisition made by AB was based on a narrative of progress, of development and growth. However, the encounter with the 'other' –the Collective'– has lead employees in both organisations to question certain taken-for-granted elements of that narrative leading to tensions when it comes to think about future directions. We have found within this narrative of progress tensions, a reflection of the challenges to current ways of organising as well as the struggle for emergence of a new narrative.

Co-creating a narrative space to act together

The narrative that both companies share spans from the one product focus (gas turbine engine) in AB to the segment organisation focus (customer/market) in the current organisation and aims to move both companies towards focusing on being a 'systems integrator' –providing full service and maintenance to consumers- in the future. The way interviewees talk about the new common future organisation – 'systems integration' and 'whole value chain' – provides us with the first insights of a commonly constructed narrative. The analysis shows employees on both companies projecting themselves into a common future. The difference still arises in the role played by each, the *how* to achieve the future vision, between single provider or part(s) of the whole. The terminology used reflects the centralised and de-centralised ways of working, respectively. In the first instance, one actor does the integration, in this case the organisation: the organisation integrates systems – the systems are dependant on the organisation. The second reflects a more networked way of working (chain) with organisations being integral parts of the chain but with value only deriving from the chain as a whole. AB sees itself as a central agent (provider) of all-incorporating systems for industry, whereas the Collective sees itself and part of a value chain (process) in achieving solutions for industry. The difference in subtle but important and will effect future action. This new organisation would, according to interviewees, veer away from the current - cumbersome - organisational form, and would be able to incorporate both AB and the Collective:

"they started as a shipyard but definitively over the years decided to grow into the whole value chain…when it comes to [X], we have always been a system integrator. We don't understand why…I mean [the company] wants to transform the business into being a systems integrator, I definitively agree with that. But we have always been, we are probably the most successful system integrator in the world, where we have delivered huge packages… we have done this for years and years and it's nothing new for us." *(Executive VP Business Division; Collective-Norway; Commercial; Customer Unit; 1:21)*

And to do so employees form both organisation are already suggesting alternative ways to work together. One of them is to modify current ways of organising such as information *sharing*. This will involve the exchange of relevant information in the organization. The lack of exchange at this point is explained as a technical problem related to security issues and to the lack of common IT infrastructure. In the future both companies agree that information should be accessible and more open for all employees to work with.

> "There is an internal war that we are not releasing that information because they are taking over and what have you. So there is a tense – I think I have experienced from all, have impression from many of the places in different segments or units that they have had and still have problems with that…We may have suffered because they haven't been able to get information for somebody. I'm not saying purposely holding back but it doesn't give us the priority which we would like to have and so on…*" (VP Business Division; Collective -Sweden; Commercial; Operation Unit; 4:59)*

Agreeing on the need to leave certain aspects of the organizational cultures unchanged, interviewees talked about areas that can be transformed without altering the identity and essential business practices necessary for the continuity and survival in the respective industries:

> "I think that we are always going to be separate, mainly because of the customer part, the naval contractual requirements are always going to be different from the commercial. The fact that the products are different doesn't matter too much apart from the security requirements…" *(Programme Director Business Division; AB-UK; Naval; Customer Unit; 10:12)*

When the communication and emotional state required in order for the new organizational form to emerge are the focus, the positions cease to be opposites. Trust, between AB and the Collective, is recognized as necessary in order to be able to move into the future. But the two organisations are not there yet. There is too much resistance (to the hostile take-over), but yet not enough time (since the merger), and history:

> "Again, that's the one thing, the management of face-to-face meetings and the building of trust across the business – it is an issue." *(Head of Business Management; AB Corporate-UK; Function; 8:86)*

Conclusions

The paper has looked into the process of how people make sense - personally and collectively - of organisational change processes through the stories and narratives they share. We have seen how these stories have helped employees of both companies to create continuity and commonality of reference and hence to legitimate particular ways of organising (Turnbull, 2002).

But the frameworks that the employees use, are not static, they become (re) produced and challenged through everyday interactions especially when a change process occurs. Indeed, the constant changes in organisations and in the work environment challenge people's efforts to create and maintain a sustained work-narrative that allows for decision making processes or even to derive a sense of personal identity from work (Sennett, 2001). That is why stories are being constantly told and re-created.

While the existing literature does an excellent job of illustrating the multiple stories that exist during organisational change processes, it does not generally

emphasise the interconnectivity of those narratives or the way in which those stories might impact on co-ordinated action. During change initiatives individuals are usually encouraged to coordinate their thoughts, actions and practices so as to be attentive to the interdependencies of the community (Vaara, 2002). A narrative approach provides a vehicle for understanding how organised collective action might be achieved within a changing situation (Tsoukas and Chia, 2002). Through the collection, handling and analysis of emergent narratives, as the ones explored in this paper, researchers could have a powerful vehicle for gaining insight about how such coordinated outcomes are(not) supported and achieved.

The analysis has shown how through the co-authoring of a new narrative it is possible to articulate a new potential 'organisation'. Through the co-construction of this new narrative, knowledge, people and environment can be co-created allowing the narrative to become a 'proceduralised context'.

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