

Constructions of Cultural Differences in Post-Merger Change Processes: A Sensemaking Perspective on Finnish-Swedish Cases

Eero Vaara

Helsinki School of Economics and
Business Administration
Department of International Business
eMail: evaara@hkkk.fi

Cultural differences are often used as explanations of organizational problems following mergers. This paper argues that this literature is to a large extent based on a realist epistemology where too little emphasis has been placed on the constructive processes. To partially bridge this gap, this study adopts a sensemaking approach to studying the (re)construction of cultural conceptions in the merger context. The study is based on extensive ethnographic material from eight cases of Finnish-Swedish mergers and acquisitions. The analysis of this material leads to a specification of three concurrent cultural sensemaking processes through which the top decision makers involved in the post-merger integration processes make sense of and enact cultural conceptions. First, this cultural sensemaking involves a search for rational understanding of cultural characteristics and differences. Second, cultural sensemaking also includes more or less suppressed emotional identification with either of the merging sides. Third, cultural sensemaking also involves purposeful manipulation of the cultural conceptions for more or less legitimate purposes. Based on this distinction, this study leads to specific propositions concerning how cultural conceptions are formed in post-merger organizations. Hence, the analysis helps us to understand that cultural conceptions are not only reflections of "real" cultural differences but are also products of complex cognitive, emotional and political processes.

Organizational culture studies do not form a coherent paradigm. The divisions in these studies and between scholars have even been referred to as wars (Martin and Frost, 1996). In this literature, one can find significant differences in terms of epistemological, methodological, theoretical and even ideological views¹. A significant demarcation exists between studies with a realist perspective and those with a social constructionist perspective. The former focus on cultures as existing systems of beliefs and practices (e.g., Schein, 1992). This is in line with an anthropological tradition that seeks to understand what is characteristic in the behavior of particular groups of people and how that may distinguish them from others. This view emphasizes the real, for example the institutional, foundations of cultures. In his widely-used framework, Schein (1992), for instance, distinguishes three levels of culture: artifacts (visible, tangible, audible results of activity grounded

1. Excellent reviews of this literature are provided by Pettigrew (1979), Turner (1986), Aaltio-Marjosola (1991), Frost, Moore, Louis, Lundberg, and Martin (1991), Kunda (1991), Alvesson and Berg (1992), Lindstead and Grafton-Small (1992), Martin (1992), Hatch (1993), Willmott (1993), Schultz (1994), Martin and Frost (1996), and Parker (2000).

in values and assumptions), values (social principles, philosophies, goals and standards considered to have intrinsic worth) and basic assumptions (taken-for-granted beliefs concerning reality and human nature). Much of the literature on international organizational culture comparisons has followed this tradition. For example, Hofstede (1997) seeks to understand the typical features of a national culture in the collective programming of the mind which distinguishes the representatives of one nationality from another.

Characteristic of the social constructionist perspective is a focus on the actors' interpretations or constructions of cultures. This is in line with the sociological tradition according to which it is this epistemological layer in social life that is often the most meaningful when talking about social action (e.g., Berger and Luckmann, 1966). This means focus on the processes of construction: how the actors define their characteristics and those of others. According to this view, culture is an ongoing interpretation process rather than a stable structure of values and norms. It should be noted that there are significant differences among these constructionist standpoints. A milder version emphasizes the role of interpretive processes as mechanisms through which cultures are created and recreated. A radical constructivist view is to claim that the cultures and cultural differences only exist when people become conscious of them in social interaction.

Rather than contradictory perspectives or incommensurable paradigms, it is suggested here that the realist and constructionist perspectives highlight different epistemological layers. For example, Hatch (1993) combines Schein's theory (1992) and ideas drawn from symbolic interpretive studies in a model where the actors make sense of "real" cultures in interpretation processes and then enact these interpretations in consequent actions. This means that a dialectic understanding of organizational cultures should take into account both the real manifestations of these cultures and the reflexive processes where the actors make sense of their cultures.

During the past decade, cultural differences have been increasingly used as explanations of post-merger² problems and failures. Researchers have pointed to differences in organizational cultures as major causes of internal problems (Sales and Mirvis, 1984; Buono and Bowditch, 1989; Datta, 1991; Chatterjee, Lubatkin, Schweiger, and Weber, 1992; Weber, 1996). This literature has concentrated on the cultural integration processes and primarily sought explanations for post-merger problems in cultural clashes (Davis, 1968; Sales and Mirvis, 1984; Buono, Bowditch and Lewis, 1985; Walter, 1985; Datta, 1991; Chatterjee et al., 1992; Cartwright and Cooper, 1993; Weber, 1996). Others have focused on national cultural differences and claimed that these make cross-border mergers problematic (Calori, Lubatkin and Very, 1994; Morosini and Singh, 1994; Olie, 1994; Weber, Shenkar and Raveh, 1996; Gertsen, Sørderberg and Torp, 1998).

This paper argues that much of this cultural literature on post-merger integration is based on a realist conception of organizational cultures.

2. The term "merger" has two meanings in the context of combining organizations. Merger can refer to any form of combination of organizations, initiated by different types of contracts. The more specific meaning that separates mergers from acquisitions is that a merger is a combination of organizations which are rather similar in size and which create an organization where neither party can clearly be seen as the acquirer. Mergers and acquisitions are here referred to as mergers if there is no particular need to distinguish different types.

This has led to a well-established understanding of how cultural differences may create problems in organizational change processes by highlighting such issues as the incompatibility of beliefs and values (Datta, 1991; Cartwright and Cooper, 1992; Olie, 1994), the central role of acculturation processes and acculturative stress (Nahavandi and Malekzadeh, 1988) and different national institutional systems as underlying structures sustaining cultural differences (Very, Lubatkin, Calori, and Veiga, 1997). Although researchers adopting a social constructionist perspective are few in number, they have provided interesting discoveries highlighting the importance of the actors' own interpretations of cultural differences (Gertsen and Sørderberg, 1998; Kleppestø, 1998). However, these studies have not explicitly distinguished different processes and mechanisms when studying actors' interpretations and constructions of cultural conceptions in the merger context.

The purpose of this paper is to study organizational actors' interpretations of cultural differences in post-merger integration processes from a sensemaking perspective (Weick, 1995). The focus is on how actors at the upper echelons of corporate hierarchy make sense of cultures and cultural differences when they are making decisions concerning major organizational changes. The role of these actors is important as their actions have a fundamental impact on the course of these organizational processes. They are, however, faced with a paradoxical situation; they are supposed to manage the cultural integration process while themselves making sense of cultural differences.

This study draws on extensive empirical evidence from eight cases of Finnish-Swedish mergers. Although the context is evidently crucial when studying these sensemaking processes, it is argued here that such processes concerning the Self and the Other are also likely to be similar in other cross-cultural contexts. Thus the findings in the Finnish-Swedish context can, with due reflection, also be generalized to other international contexts.

The analysis of this material leads to specification of three concurrent cultural sensemaking processes through which the top decision makers involved in the post-merger integration processes make sense of and enact cultural conceptions. First, this cultural sensemaking involves a search for rational understanding of cultural characteristics and differences. Second, cultural sensemaking also includes more or less suppressed emotional identification with either of the merging sides. Third, cultural sensemaking also involves purposeful manipulation of the cultural conceptions for more or less legitimate purposes. Based on this distinction, this study leads to specific propositions concerning how cultural conceptions are being formed in the post-merger organizations. In this way, the analysis helps to understand that cultural conceptions are not only reflections of "real" cultural differences but also products of complex cognitive, emotional and political processes.

DIFFERENT PERSPECTIVES ON POST-MERGER CULTURAL CHANGE PROCESSES

From the mid-1980s, we have seen a proliferation of studies taking a cultural perspective on mergers focusing on organizational-level (e.g., Nahavandi and Malekzadeh, 1988; Buono and Bowditch, 1989; Datta, 1991; Chatterjee et al., 1992; Mirvis and Marks, 1992; Weber, 1996) or national-level dynamics (e.g., Olie 1994; Gertsen et al., 1998). In general, these studies have been motivated by a need to understand and manage the often encountered post-merger organizational problems. For this purpose, the cultural discourse has offered convenient conceptual tools that have shifted attention from “overly rational” strategic considerations to more “irrational organizational reality” or from “hard” to “soft” issues.

It is fair to say that many of these studies have not clearly articulated their epistemological stances and that culture has often remained an epithet describing a general interest in these multifaceted processes. However, most of the studies are characterized by a realist conception of organizational cultures where little attention has been focused on the actors' own interpretation processes (Gertsen et al., 1998). Notable exceptions are studies by Kleppetø (1993, 1998) and Gertsen and Sørderberg (1998), which have explicitly taken a social constructionist perspective on post-merger cultural change processes.

A central theme in these cultural studies has been that decision makers rarely pay enough attention to cultural differences while concentrating on more strategic issues (Jemison and Sitkin, 1986; Kleppetø, 1993; Greenwood, Hinings and Brown, 1994). The result may on the one hand be manifested in organizational problems created by unrealistic change programs and on the other hand in disappointments in terms of the synergy achieved.

Another central theme is recognition of a long-term perspective when talking about cultural integration or acculturation. Changes in those beliefs and practices that are the core of organizational identities are especially difficult. It is often argued that it is precisely this type of cultural integration as opposed to more operational integration that takes the longest time (Shrivastava, 1986). A general finding of the studies of cross-border mergers has been that national cultural differences create particularly strong impediments to integration and thus create more cumbersome problems than national settings (Kogut and Singh, 1988; Morosini and Singh, 1994; Olie, 1994; Gertsen et al., 1998). The reasons for this can be traced to different national institutional systems sustaining particular beliefs and practices (e.g., Calori, Lubatkin, Very, and Veiga, 1997).

A third overall theme has been an underlying political setting where the representatives of the previously separate cultures are seen as the two opposing camps. A central finding of these studies is that post-merger change processes are particularly problematic if they create political settings of the type of cultural juxtaposition where the actors identify themselves with particular cultures. Many case studies provide ample

illustrations of such processes where traces of the cultural confrontation last for extremely long periods of time (e.g., Olie, 1996). However, there has in general been little explicit recognition of the actual political processes in the aftermath of mergers and acquisitions.

Much of the literature in this field has endorsed the argument that cultural differences create problems in organizational integration processes. In the crudest sense, this has been reflected in the "cultural distance" ideology; analyses examining the relation between cultural differences and post-merger success (e.g., Datta, 1991; Chatterjee et al., 1992). Empirical studies have also clearly indicated that such a relationship exists (Datta, 1991; Chatterjee et al., 1992). In international settings, drawing on Hofstede's (1997) and Trompenaars' (1993) work, this has meant research designs illustrating how mergers between culturally closer national cultures indeed lead to better outcomes than those between more distant cultures (see Morosini and Singh, 1994).

The contrary argument that cultural differences can also be a source of value has received little attention until recent studies. Krishnan, Miller and Judge (1997) have, however, illustrated how cultural diversity can benefit top management decision making. Morosini, Shane and Singh (1998) have shown how cross-border mergers between culturally distant countries may outperform mergers between culturally closer countries.

It has also been argued that it is not initial cultural differences per se that create problems. According to the "cultural fit" or "cultural compatibility" perspective (Cartwright and Cooper, 1992; Larsson, 1993), the most problematic situations would be those where the beliefs and values of the organizational members are contradictory. According to this view, beliefs and values that do not conflict are not likely to create particular problems. Others, like Nahavandi and Malekzadeh (1993), Calori, Lubatkin and Very (1994) and Morosini and Singh (1994), have also developed the argument that the adopted integration strategies should be culturally compatible.

Researchers have also claimed that it is the acculturation processes that people should turn their attention to. Drawing on Berry's work (1980), Nahavandi and Malekzadeh (1988) have elaborated a model where acculturation can proceed in four different ways: assimilation, integration, separation and deculturation³. Central to this model is on the one hand the actors' willingness to preserve their own culture and on the other their perception of the attractiveness of the other culture. "Assimilation" means replacing one's culture with the new culture, "deculturation" giving up one's culture without adopting the new culture, "separation" maintaining one's own culture with rejection of the other culture and "integration" maintaining one's own cultural elements while moving towards the new culture. For example, Elsass and Veiga (1994) have later further elaborated these ideas and illustrated how the acculturation processes are affected, for instance, by organizational performance. Very et al. (1997) and Very, Lubatkin and Calori (1998), in turn, have linked cultural comparisons to theories of social move-

3. Berry (1980, p. 215) defines acculturation as «changes induced in (two cultural) systems as a result of the diffusion of cultural elements in both directions».

ment (David, 1977) and procedural justice (Kim and Mauborgne, 1991). Their insight is that acculturative stress can be understood by three types of social comparisons: «Are our present circumstances as favorable and just as someone else's circumstances?», «Are our present circumstances as favorable and just as our past?» and «Will our future be as favorable and just as our present?» (Very et al., 1998, p. 92).

Highlighting another aspect of these processes, recent studies have turned attention to issues of communication and rhetoric. For example, Kleppetø (1998) has argued that it is the communicative aspects of identification processes that help us to understand the outcomes of organizational integration processes. He points to controversial issues that have symbolic importance for the actors. Similarly, Gertsen and Søderberg (1998) have emphasized the role of communication in these cultural identification processes. A central finding of these studies is that communication is often characterized by a tendency to highlight cultural differences. These studies also show how these communicated interpretations have a fundamental effect on behavior of the organizational members and the consequent course of the organizational change processes.

While these constructionist studies have provided valuable knowledge of the actors' cultural interpretations in post-merger change processes, there is still little knowledge of the processes where organizational actors take stands on cultures and cultural differences. In particular, there is little understanding of how managers at the upper echelons of management make sense of cultural differences.

TOWARDS A SENSEMAKING APPROACH TO POST-MERGER CULTURAL CHANGE PROCESSES

It is suggested here that adopting a "sensemaking" perspective is a fruitful approach to studying how managers at the upper echelons of management make sense of cultures and cultural differences. Sensemaking is understood as an epithet or metaconcept that highlights the role of internal discussions in organizational processes (Dutton and Jackson, 1987; Porac, Thomas and Baden-Fuller, 1989; Dutton and Dukerich, 1991; Gioia and Chittipeddi, 1991; Czarniawska-Joerges, 1992; Weick, 1995; Gioia and Thomas, 1996; Brown and Jones, 2000)⁴.

Essential in cultural sensemaking processes is that they are grounded in identity construction (Sackman, 1991; Weick, 1995)⁵. Cultural sensemaking processes are thus quests for cultural identity characterized by such questions as "Who are we?" and "Who are the others?". This identity construction is situation-specific in the sense that the actors' identities are always related to the identities of others. Cultural conceptions are thus constructed by distinguishing oneself from another group by noting and emphasizing the cultural differences that appear important. This means that much of the cultural sensemaking

4. For a review of different perspectives on sensemaking, see Weick (1995).

5. This implies close linkages to social identity theory (see Tajfel and Turner, 1979; Ashforth and Mael, 1989) and self-categorization theory (see Turner, 1985).

is about the construction of cultural *differences*. When one confronts a new culture, the image of one's own culture is also modified. This emphasizes the processual nature of cultural identities and is at the very heart of critiques of realist studies on cultures that provide a static picture of organizational cultures. By pointing to the actors' interpretations, the sensemaking perspective also means taking such issues as cultural stereotypes seriously because their (re)construction and use is a significant part of social life.

The sensemaking metaphor provides a convenient conceptualization as it clearly points to two epistemological layers in cultural integration processes: cultures as real belief systems (to be made sense of) and actors' interpretations (the outcomes of sensemaking processes). The perspective consequently does not undermine the "real" differences in beliefs and practices of the previously separate organizations sustained, for example, institutional systems. However, it focuses attention on the processes where the organizational actors construct their (simplified) conceptions of cultural differences. Especially in the context of mergers between complex organizations, these conceptions are often likely to be abstract-level, stereotype-like constructions that may be plagued by intentional or unintentional distortions.

Understanding these interpretations as sensemaking processes provides a perspective that highlights the need to reduce ambiguity by creating shared understandings of specifically important questions or issues. This is what is particularly important for organizational actors (at the upper echelons of management) who are engaged in making different types of social comparisons between and across the organizations and furthermore have to make significant decisions concerning the integration of the formerly separate organizations (Hambrick and Cannella, 1993; Very et al., 1997).

In view of the following analysis, it is useful to emphasize that sensemaking as a social activity is not only purely based on cognitive processes, but also involves emotional (Fineman, 1996) and political (Hardy and Clegg, 1996) elements. In brief, one can analytically distinguish rational, emotional and political sensemaking processes.

We can understand sensemaking as a rational activity where the actors develop understanding of specific phenomena, for example, explanations for unexpected or particularly important events or outcomes (e.g., Louis, 1980; Weick, 1995). Such rationality should not, however, be seen as "overall rationality" in the strong sense of the term but rather cognitive activity characterized by context-specific rationality, usually characterized by various types of cognitive bias. In the post-merger context, this means that the actors, for example, try to solve practical problems and seek explanations for the problems encountered through an analysis of organizational and national level cultural differences.

Sensemaking as identity-building also involves emotions⁶. In the post-merger context, especially important are developing emotions concerning the other side. These emotions are already likely to develop at the stage when the actors confront the first news concerning the merg-

6. The terms "affect", "emotion" and "feeling" are used interchangeably here. It is important to distinguish valence (positive-negative) and arousal in emotional states. The focus here is not on elaboration of different kinds of emotions but on an understanding of the consequences of positive or negative emotions for the cultural sensemaking processes of the organizational actors. For a discussion of different concepts describing emotional states, see Frijda (1994).

er. However, significant and personally or socially dramatic experiences concerning the integration projects are specifically likely to be manifested emotionally. These emotions—as they deal with the relations between the merger parties—are obviously an important part of acculturation. They can also lead to more or less salient cognitive categories or cultural attributes in the internal discussions within the post-merger organization.

The sensemaking processes also involve socio-political components that can be conceptualized as “arguing”, “manipulation”, “management of meaning” or “political rhetoric” (Huff, 1988; Weick, 1995; Hopkins and Reicher, 1996; Salk, 1997). This means more or less intentional argumentation for specific purposes in order to construct specific representations of the previously separate organizations, the new post-merger organization and their attributes.

RESEARCH DESIGN AND METHODS

THE RESEARCH DESIGN: EMPIRICAL MATERIAL ON FINNISH-SWEDISH CASES

The empirical analysis is based on extensive ethnographic material gathered in a long-term research project on Finnish-Swedish mergers, where I have concentrated on the integration processes and specifically on the political and cultural aspects of these processes (see Vaara, 1999a, 1999b, forthcoming).

The Finnish-Swedish setting provides an interesting arena for such a study because, for example, Hofstede's (1997) studies indicate that the assumed cultural differences between Finnish and Swedish organizations are small. According to his results, in terms of “femininity-masculinity”, “individualism-collectivism” and “power distance”, the Finnish and Swedish organization cultures differ only slightly. It is only in the case of “uncertainty avoidance” where the differences may be significant, the Swedes obtaining a higher score. It can also be argued that many of the institutional foundations of the Finnish and Swedish societies and industrial sectors are fairly similar due to a common history, similar institutional structures and geographical proximity. Nevertheless, during the past decade there has been increasing discussion highlighting significant cultural differences between Finnish and Swedish organizations (e.g., Laine-Sveiby, 1987; 1991; Lilius, 1993; Suutari, 1996; Ekwall and Karlsson, 1999). Laine-Sveiby (1991) has, for example, distinguished such differences as the tendency of Swedes to value discussion more than Finns, and the preference of Finns for more rapid decisions than their Swedish counterparts.

The Finnish-Swedish setting thus provides an opportunity to examine the relations between national stereotypes and more refined conceptions concerning the particular organizations and their members. The national stereotypes typically function as the first interpretive pattern while more fine-grained perceptions develop over time with increasing knowledge of the particular setting. The focus of the analysis is therefore not on the superficial rhetoric of national cultural stereotypes but

on the more significant concrete organizational cultural differences emphasized by the actors.

This empirical analysis draws on extensive empirical material concerning eight cases of Finnish-Swedish mergers and acquisitions. The cases summarized in **Table 1** are all historically significant cases of cross-national integration in different industries between Finland and Sweden.

Table 1. Cases in the Focus of the Analysis

Merger/Acquisition	Industry	Year of Merger/Acquisition	Focus of Analysis	Status at the End of 1997
Finnish Partek's acquisition of Swedish Hiab-Foco	Cranes	1984	Integration between Partek's previous cargo handling operations (Nummi and Multilift) and Hiab-Foco	Hiab is part of the Cargotec Group of Partek Corporation
Merger between Finnish Ovako and Swedish SKF Steel	Special steel	1985	Integration between the Finnish organization (former Ovako) and the Swedish organization (former SKF Steel)	Owners redivided the company at the end of 1991; the remaining parts—Imatra Steel and Ovako—operate independently
Swedish Asea's acquisition of Finnish Strömberg	Electrical engineering	1986	Integration between former Strömberg's and former Asea's drives and motors production within the Asea and ABB group	Asea and Brown Boveri joined forces in 1988; Strömberg is a part of the global ABB corporation
Finnish Nokia's acquisition of Swedish Ericsson Information Systems	Computers	1987	Integration between the Finnish operations (former Nokia IS) and the Swedish operations (former Ericsson IS)	Nokia Data was sold to ICL in 1991; these operations are part of Fujitsu's global operations
Finnish Tietotehdas's acquisition of Swedish Datema	Computer services	1987	Integration of Swedish Datema's operations with the Tietotehdas group	These operations are a part of Tieto Corporation (Tietotehdas)
Finnish Tampella's acquisition of Swedish Esselte Well	Cardboard	1988	Integration between the operations of former Tampella Packaging and former Esselte Well within Tampella and Enso groups	Tampella's cardboard production was sold to Enso in 1993; these operations are now part of the Enso group
Finnish Isku's acquisitions of the Swedish companies Sundo, Facit and Direktlaminat	Furniture	1993	Integration between Isku's business-to-business furniture production and the operations of the Swedish units (Sundo, Facit and Direktlaminat)	The Swedish units are part of Isku Svenska
Merger between Merita and Nordbanken	Banking	1997	Integration between the Finnish and Swedish operations	Integration is to a large extent in the planning stage

The Finnish Partek corporation's acquisition of the Swedish Hiab-Foco took place in stages in 1984-1985. At the time, it was the largest Finnish acquisition ever made in Sweden. A fundamental motive for the acquisition was to develop Partek's existing cargo handling equipment business to make the Finnish corporation less dependent on its core business, which was construction materials. The acquisition was followed by change efforts: for example, reorganizing the acquired company and integrating the marketing channels of Hiab-Foco with those of Nummi, Multilift and Norba (Partek's existing cargo handling units). This integration work also led to the creation of Cargotec—a new corporate level inside Partek. Partek has thereafter grown signifi-

cantly in this sector. Hiab has, however, remained a rather independent company within Cargotec and Partek. The case is generally considered a success story and received wide attention in the Finnish and Swedish press.

At the time, the merger between the Finnish Ovako and the Swedish SKF Steel in 1985 was the largest merger that had ever taken place between Finnish and Swedish corporations. A fundamental motive for the merger was that the previous owners wanted to create a new special steel corporation from which their interest could gradually be divested. The merger was followed by significant changes in terms of divestments and new acquisitions. Internally, however, the organization was plagued by continuous debate between different parties. After a market collapse, the owners decided to redivide the Finnish-Swedish corporation in 1991. This case is seen as the ultimate example of unsuccessful Finnish-Swedish organizational integration.

The Swedish Asea's acquisition of the Finnish Strömberg in 1986 was the largest Swedish acquisition in Finland ever. A fundamental motive for the acquisition was the development of the Swedish-based electrical engineering group into a global player. This acquisition was followed by significant changes in the Finnish organization and respective changes in Sweden. Asea merged with the Swiss Brown Boveri in 1988; gradual integration of the operations of the companies belonging to this group followed. At the Finnish end, this has meant significant investments and growth in the drives and motors sectors but disinvestments in others. This case is regarded as a success story, and it has received wide recognition in the European press.

The Finnish Nokia's acquisition of Ericsson Information Systems' data handling division in 1987 was a widely publicized case. A fundamental motive for the acquisition was the willingness of the Finnish electronics company to grow in this lucrative area. The acquisition led to the development of Nokia Data, comprising Nokia Information Systems and Ericsson Information Systems' data division. These integration efforts led to significant changes in the Swedish organization, which made it a famous case in both Finnish and Swedish media. Efforts to build an integrated Finnish-Swedish corporation ended when Nokia sold this business to the British ICL (owned by the Japanese Fujitsu). This case is generally considered unsuccessful.

The Finnish Tietotehdas's acquisition of the Swedish Datema in 1987 was motivated by a desire to internationalize the Finnish computer service group's operations. The acquisition was followed by an internal crisis and a heavy rationalization program in the Swedish company in 1987-1990. Later, Datema has become a rather independent part of the Finnish Tieto group. This case bears the stigma of ultimate failure and is often referred to by the Finnish and Swedish press as a case of what not to do.

The Finnish conglomerate Tampella's acquisition of the Swedish Esselte Well in 1989 was motivated by the desire to develop Tampella's cardboard production sector into an international group. This led to the development of Tampella Packaging. The acquisition was followed

by further acquisitions, for example, in Italy. However, specific integration projects, such as the use of fluting (a component in cardboard production) produced in Finland for Esselte Well, did not lead to concrete results in the following years. The situation changed when the Finnish forest sector group Enso acquired this business from Tampella in 1993. This case has not received a great deal of public attention and has a neutral image.

In 1993, the Finnish furniture manufacturer Isku acquired three smaller companies—Sundo, Facit and Direktlaminat—operating in the same sector in Sweden. In addition to being advantageous financial investments, these acquisitions were seen by Isku's representatives as a specific opportunity to sell Finnish-made products through these channels in Sweden. Although the acquisition has been followed by specific integration efforts, the Swedish units have continued to operate rather independently. The case has not received wide public attention, but is generally regarded as a success.

The largest Finnish-Swedish merger so far, the combination of the Finnish Merita and the Swedish Nordbanken, was announced in 1997. The acquisition has been followed by preliminary decisions as to how to integrate the Finnish and Swedish operations. At this point, the case, which has received a great deal of public attention, is generally regarded as fairly successful.

All these cases are horizontal mergers involving the integration of organizations operating in similar areas. All of the cases were initially justified by ideas to create synergistic benefits through the integration of the previously separate operations in different areas. The cases were also, especially in the beginning, characterized by a high regard for independence. In this sense, the cases can be roughly considered as belonging to the "symbiotic" category—characterized by a high need for integration (strategic interdependence) and high regard for autonomy—in the typology of Haspeslagh and Jemison (1991). Later, however, integration proceeded slower than expected in several cases, especially in the case of the merger between the Finnish Ovako and the Swedish SKF Steel and in the case of Isku's acquisitions in Sweden. In all these cases, there were also significant differences in various areas as to the progress of integration, which makes it problematic to treat the cases as pure types in any category.

Although some of the cases can more clearly than others be seen as acquisitions, it should be emphasized that all the cases have involved the integration of similar operations on both sides in a manner where it is difficult to unequivocally label either side as the dominant or more powerful organization.

ON INTERVIEWS AND OTHER EMPIRICAL MATERIAL

Interviews with more than 200 key decision-makers, many of whom were interviewed several times, form the core of the empirical material, as summarized in **Table 2**. The first interviews concerning the cases were made as early as 1992-1993, although most were conducted between 1994-1997. In the cases of the Swedish Asea's acqui-

sition of the Finnish Strömberg, the Finnish Nokia's acquisition of the Swedish Ericsson Information Systems, the Finnish Tietotehdas's acquisition of the Swedish Datema, with the exception of follow-up interviews, the interviews were conducted between 1992 and 1994. In the case of the Finnish Tampella's acquisition of the Swedish Esselte Well, the interviews were conducted mainly between 1993-1994. In the case of the Finnish Partek's acquisition of the Swedish Hiab-Foco and in the case of the merger between the Finnish Ovako and the Swedish SKF Steel, the research project was more detailed and clearly longitudinal in nature, and the interviews were conducted between 1993-1996 and 1992-1997. In the case of the Finnish Isku's acquisitions in Sweden, the research efforts, including participant observation, focused on 1995-1998, while in the case of the merger between the Finnish Merita and the Swedish Nordbanken the research concentrated on 1998.

193 interviewees were board members or other persons representing the owners, members of corporate top management, members of division or unit management or middle managers in key positions in the organizations in question. They can thus be seen as central actors involved in making difficult decisions concerning the integration of the operations of the formerly separate organizations, although obviously their perspectives differ depending on their position, role or professional identity. The interviewees also include other members of the organizations, union representatives and consultants who have played major roles in the post-merger or post-acquisition change processes (in total 15). In addition, I met and interviewed many employees, industry experts and competitors' representatives to gain important background information (not included in the numbers).

Table 2. Information on the Interviews Conducted

Merger/Acquisition	Number of interviewees	Nationality			Number of interviews
		Finns	Swedes	Others	
Finnish Partek's acquisition of Swedish Hiab-Foco	36	22	14	—	45
Merger between Finnish Ovako and Swedish SKF Steel	31	20	10	1	46
Swedish Asea's acquisition of Finnish Strömberg	20	13	7	—	25
Finnish Nokia's acquisition of Swedish Ericsson Information Systems	24	17	6	1	27
Finnish Tietotehdas's acquisition of Swedish Datema	22	15	6	1	26
Finnish Tampella's acquisition of Swedish Esselte Well	21	16	5	—	26
Finnish Isku's acquisitions of the Swedish companies Sundo, Facit and Direktlaminat	39	23	16	—	51
Merger between Merita and Nordbanken	7	5	2	—	7
Others	8	4	4	—	10
<i>Total</i>	<i>208</i>	<i>135</i>	<i>70</i>	<i>3</i>	<i>263</i>

In these interviews, a story-telling approach was used, as is usually the case with ethnographic research (Van Maanen, 1988). In practice, the interviewees were asked to recount their experiences of the post-merger change processes in semi-structured thematic interviews. The interviews lasted usually for two or three hours, ranging from only a little more than half an hour to more than six hours. When I interviewed Finns, we spoke Finnish, except in a few cases where Swedish was used. When I interviewed Swedes, we spoke Swedish. Most of the interviews were tape-recorded. Most of the tape-recorded interviews were later completely or partially transcribed verbatim.

In addition to this extensive interview material, the analysis benefited from documents such as minutes of meetings, more or less formal plans, many types of financial and technical reports, copies of presentations held, memos, letters and even notes in personal diaries. The analysis of this material told a great deal about the actual sensemaking processes, and it also helped to place the interviewees' retrospective accounts into the right contexts.

In the case of Isku's acquisitions in Sweden, there was also an opportunity to act as a participant observer and to be present at many formal and informal meetings where these issues were discussed. This participant observer role provided numerous opportunities to learn about the thoughts and considerations of the people involved in private discussions in various official forums but especially unofficially.

THE ANALYSIS

The analysis was inductive in nature, resembling the classical ideas of grounded theory (Glaser and Strauss, 1967) and analytical generalization (Sayer, 1992). In fact, the very idea for this study emerged after it had become apparent that cultural differences seem to be socially constructed through complex organizational processes. After having made some preliminary observations and developed some initial ideas concerning the social construction of cultural differences in these processes, a more rigorous analysis focused on the interview material gathered (either transcripts or notes).

The approach was to focus on specific integration projects rather than taking the merger cases themselves as the units of analysis to be understood and explained. This was a choice that made it possible to avoid the problems associated with crude categorizing of long and complex histories. At a later stage, I further found it meaningful to concentrate on a particular interviewee's experiences rather than to take the integration projects as cases to be (re)constructed.

On this basis, I analyzed the interview material by paying specific attention to sections and parts where they spoke explicitly or implicitly about cultural characteristics and differences. I then started to search for common themes, categories and patterns in the sections, which clearly dealt with construction of cultural understanding. This led to thematic categorizations based on "problems/no problems", "success/failure", "hostility/friendliness", "strong emotions/weak emotions", "cultural programming/no cultural programming", and "internal politics/no

7. This highlights three epistemological layers: cultures as real structures, actors' interpretations of cultures in historical settings and actors' retrospective narratives of these processes.

internal politics". I also made an analytical distinction between "sense-making in action" and "retrospective reconstruction in interviews" in specifically interesting examples to be able to distinguish these two epistemological layers. From this emerged three different categories of sensemaking, which could be understood as the three sensemaking process types: a search for rational understanding, emotional identification and socio-political manipulation.

This kind of ethnographic research is not without its problems. First, this analysis concentrated on particularly revealing examples that had played a major role in internal discussions. This may result in a tendency to concentrate on "juicy stories", while mundane aspects of cultural sensemaking processes receive little attention. Second, retrospective construction is a cumbersome issue in any study trying to capture interpretations in particular historical settings (e.g., Barley, 1990)⁷. In this particular study, documentary material could help to understand how historical processes are described in retrospective narratives. However, specifically important was participant observation in the Isku case as it provided rich first-hand evidence. Third, studies of cultural interpretations are also always affected by the cultural origin of the researcher and his/her relation to the interviewees. I tried to offset this by speaking Swedish with the Swedish interviewees and emphasizing my role as a "neutral" observer. However, in any case, my Finnish cultural identity made it sometimes easier to connect with the Finnish interviewees rather than the Swedish ones.

CULTURAL SENSEMAKING AS A SEARCH FOR RATIONAL UNDERSTANDING, EMOTIONAL IDENTIFICATION AND SOCIO-POLITICAL MANIPULATION IN FINNISH-SWEDISH MERGERS

The analysis of the Finnish-Swedish mergers leads to a distinction and elaboration of three interrelated cultural sensemaking processes:

- cultural sensemaking as a search for rational understanding;
- cultural sensemaking as emotional identification;
- cultural sensemaking as socio-political manipulation.

CULTURAL SENSEMAKING AS A SEARCH FOR RATIONAL UNDERSTANDING

For the top decision makers, an essential part of managing the post-merger integration processes was a more or less intentional search for rational understanding of the cultural differences between the previously separate organizations. This cognitive process was characterized problem-solving and explanation-building as the actors tried to develop objective understanding of the organizations when confronted with major challenges in the post-merger integration projects. This often resulted in deliberate learning efforts but also involved other elements as the actors tried to make rational sense of the cultural characteristics of the merging organizations and the differences in the respective beliefs, norms, values and practices.

This search for rational understanding was an inherent part of the planning and negotiation processes preceding the merger for those actors who had been involved in these stages, although they often retrospectively claimed that they could «dedicate too little time for cultural issues» when faced with the time pressure characterizing these stages (see also Duhaime and Schwenk, 1985; Jemison and Sitkin, 1986). The closing of the deal and the announcement of the merger were also such events that created a particular need to learn about the existing differences in the structures and processes of the merging organizations.

However, a central finding of the analysis is that especially experienced integration problems appeared to trigger this search for rational understanding while less problematic experiences apparently led to less active sensemaking. In fact, the interviews clearly indicate that they started to pay attention to cultural differences or incompatibilities when they had experienced «difficulties in cooperation» between the two parties, when specific integration projects «had not resulted in the expected outcome», or when the organizations in question «otherwise had problems».

This often meant discoveries of cultural differences or incompatibilities as causes of the problems. The interviews provide numerous examples where the actors had discovered how the beliefs and practices of the formerly separate organizations differed in ways that hindered cooperation and made it very difficult to integrate the operations of the organizations. This was the case, for example, half a year after the Finnish Tietotehdas's acquisition of the Swedish Datema when the Swedish organization found itself in serious problems. A key Finnish manager of Tietotehdas described how they had discovered that cultural differences were the causes of these problems:

«I remember (...) how we gradually learned to understand how the problems ultimately were created by our cultural differences. You didn't get them at the first glance, but gradually we learned to see the differences that you just cannot fight.»

The actors could point to generally held cultural stereotypes. The Finns typically described how they had found the Swedes «softer», «more democratic» and «less effective» decision makers than themselves while the Swedes could describe how they had learned that the Finns were «more aggressive», «less democratic» and «more straightforward» than themselves. These characterizations echo the findings of previous research on Finnish-Swedish cultural differences (Laine-Sveiby, 1991; Ekwall and Karlsson, 1999).

In most cases, this was nevertheless a process where stereotypical cultural conceptions were transformed into organization-, unit-, system- or subculture-specific understandings. A Swedish manager of Sundo (acquired by the Finnish Isku) described common experiences on the Swedish side:

«We have learned that these general characterizations of Finns and Swedes are of limited value. What is important is that we learn to understand how we differ in more concrete ways. During these years we have come to understand how people at Isku think and specifically how the people there think of design or marketing.»

In fact, the actors' accounts illustrate how increased knowledge of organizational practices and their differences was often—from a normative learning perspective—the most valuable outcome of these learning processes. In a typical example, a manager of the Finnish Partek corporation described their learning experiences after ten years of problematic integration efforts following the acquisition of Hiab-Foco:

«What we learned was that the Hiab [Swedish] culture was very different from that of the Finnish units. What was essential was that their views on such practical issues as manufacturing, product design and quality were different. It is these concrete things that make the difference.»

Interestingly, the actors recounted that in the Finnish-Swedish context they often did not expect to find cultural differences due to their pre-conception of the similarity of the Finnish and Swedish organization cultures. In fact, the interviewees stressed that subtle unrecognized differences created the problems. This can be seen as a paradox of cultural proximity. As such, this is consistent with the findings of O'Grady and Lane (1996) and Larsson and Risberg (1998) that precisely undetected cultural differences are the causes of organizational problems. A Finnish manager of Ovako Steel described this phenomenon in an illuminating way:

«We thought that the Finns and Swedes are [relatively] similar. (...) It took me three years to understand that there were real cultural differences [refers to decision making]. I think much of the misunderstandings could have been avoided if I had just seen the cultural differences beforehand.»

While this can be taken as evidence of the importance of paying attention to the "real" organizational and national differences, it also points to the fact that attention was focused on these subtle differences and the cultural conceptions were enacted only after the problems experienced created a need to explain the experiences.

Like cultural differences per se, these problematic projects also produced conceptions of incompatibility. In a typical example, a Finnish manager described their experiences in unsuccessful attempts to integrate the steel production operations within Ovako Steel:

«It was in these projects where we tried to agree upon a common strategy for production and R&D that we [Finns] learned how culturally distant the Swedes were. In brief, it came down to different views on cleanness and further processing. For them, the production of clean steel was important. For us, it was the further processing. These are ultimately conflicting goals.»

Similarly, a manager of the Finnish Isku described their learning experiences when trying to sell Finnish-made products via the acquired Swedish units:

«We found that the culture was simply different. They [refers later to both designers and consumers] are not used to our functional design. They [Swedes] look for rounder shapes and are not attracted to birch as material [as Finns are].»

Characteristic of these processes was that the problems encountered were often spread internally in the form of stories where the failures or disappointments were clearly attributed to cultural differences and incompatibility. In retrospective interviews, it was typical that the actors referred not only to their own direct experiences but also to experiences their colleagues had had. Characteristic of these processes was that particular projects were given great emphasis in creating understandings of cultural differences, even though some of the experiences could be very situation-specific.

The interviews indicate that less problematic integration projects did not lead so clearly to conceptions of cultural similarities or differences in the organizations. However, the actors described numerous cases of projects where differences in beliefs or values had not created problems or where these differences could even be exploited as sources of synergy or value. Especially important in this sense were the projects that had been «very successful» or «exceeded the expectations». Hence as «unexpected» or «particularly important» cases, these experiences thus required explanation. This was needed, for example, to understand the «success factors» that the actors could later benefit from.

At a general level, the actors pointed to such characteristics as «democracy» or «international orientation» when talking about features of the Swedish organizations that could benefit the Finnish side. They talked about «speed of decision making» when referring to the Finnish features that could benefit the Swedes. However, the organization-specific cultural differences were usually seen as the most significant for understanding the concrete outcomes of organizational integration. This was probably most apparent in the case of the Swedish Asea's acquisition of the Finnish Strömberg, as described by a Swedish manager:

«This is a perfect example where the different organizational cultures fit together and synergy is created. They [Finns] had this special knowledge in specific areas [refers later to production of drivers and motors], which benefited the whole group. We [Swedes] had the marketing channels and experience.»

CULTURAL SENSEMAKING AS EMOTIONAL IDENTIFICATION

While the top managerial decision makers were, by virtue of their position, supposed to develop «objective understanding of the cultural differences» or «abstain from taking stands», they, however, were at another level also bound to their previous cultural and national backgrounds. This became most apparent in the case of particularly dramatic changes when social comparisons between and across the two merging organizations evoked strong emotional responses.

The analysis specifically points to how the developing emotions concerning the other side can result in cultural alienation or attachment. The announcement of the merger news was as such a major trigger for emotional reactions. In brief, when the news was seen as negative or

8. This echoes Kleppetø's study (1998) where he showed how employees tended to stick to their own practices when confronted with threats of change.

the anticipated changes appeared threatening, there was a tendency to identify oneself increasingly with one's own side and distance oneself from the other⁸. A typical experience was described by a Finnish manager of the former Ovako Steel in the face of severe future threats as follows:

«I think that when we were afraid of the future of Finnish steel production the people were united on our side. (...) If we had had our differences before as to what to concentrate on we were now all one group.»

The interviewees who had later experienced a new merger or acquisition could refer to a common experience when confronted with new threats of changes, as described by a manager of the former Tampella:

«Nothing unites people on both sides more than a new acquisition. This was really what happened here [refers to the subsequent acquisition by Enso].»

When the anticipated changes were seen as positive news, there was a tendency to feel cultural bonding in the organizations. This was typically the case when the acquirer was seen as a «rescuer» or «savior», as described by a manager of the Swedish Hiab-Foco after the Finnish Partek had acquired the unit facing serious organizational and financial problems:

«What happened was that we became happy. Partek was seen as a rescuer. We had our doubts, but basically wanted to become part of Partek.»

In general, negative emotions created in the organizational change processes had a powerful effect on the actors' conceptions of cultural differences. A Swedish manager of Datema described their negative experiences after the company had been acquired by the Finnish Tietotehdas as follows:

«We could really see that we don't belong together. After all these [problems], the organization [Swedish unit] started to feel like the Finns were our enemies.»

In these internal discussions, the actors could also bring in historical events perceived as «wrongdoings» or «injustices». As a Finnish manager of Tietotehdas put it after their difficult experiences half a year after the initial acquisition of the Swedish Datema:

«In those situations [the crisis of Datema and Tietotehdas], many of us [Finns] remembered that the Swedes had always escaped responsibility and made us work and pay the bills [refers probably to the period of Finland under Swedish regime]. No more, we decided.»

Although such cases could be merely interpretations of particular moments, specific interviewees also recounted how incidents such as sports events (e.g., ice hockey matches) could affect their views and behavior. In the words of a key member of the corporate management of the Finnish Isku:

«We were pissed off [after the Finns had lost an ice hockey match]. So we felt good when we showed them who had the power.»

While on the Finnish side one could talk about xenophobia, such examples were much less common in the Swedish actors' stories⁹.

9. One explanation is that some of the Swedish interviewees could find it difficult to tell such experiences to a Finnish interviewer.

The interviews, in fact, suggest that Finns tend to manifest an inferiority complex, often referred to as «a little brother complex», towards the Swedes, linked to particular historical interpretations or sheer envy. This was described by a Finnish manager of Nokia Data as follows:

«After all this time, it is easy to see that during those times our behavior was not only driven by rational calculation but national pride. We wanted to show the Swedes that we were not the underdeveloped neighbor, but the party in control.»

The Swedes tend to suffer from undermining the values and practices of the Finnish culture, often referred to as «a big brother complex». As a Swedish manager of Hiab-Foco put it when describing their experiences of being acquired by the Finnish Partek:

«We [Swedes] have to be careful not to regard ourselves as superior. When there were problems and rows I think many of the people in Huddiksväl [main production unit in Sweden] started to feel increasingly superior.»

It is important to note that cultural rhetoric in the form of stories of symbolic events or myths was a particularly effective mechanism in spreading emotionally-laden cultural characterizations. A Swedish manager of Esselte Well put it as follows when describing integration efforts after the company had been acquired by the Finnish Tampella:

«It so easily happens that we start to tell these stories about each other. It is easy to pick up on them when you are frustrated or angry. (...) But the consequences can be severe.»

The interviews clearly indicate that positive experiences created a sense of belonging together and a general tendency to regard cultural differences as insignificant. As a Finnish manager of Partek put it:

«There was a sense of belonging after all these joint efforts that had shown how we can do things together.»

Often in the most positive cases the actors eventually identified with the new corporate culture being built rather than with either of the previously separate organization cultures. Although the importance of shared understandings and common identity have been highlighted, for example, by Buono et al. (1985) and Olie (1994), the importance of this new culture has in general received little attention in prior research. This type of development was described by a Finnish manager of Strömberg after Asea had acquired the company:

«Central was that we were building a new group, not becoming part of a Swedish company. We could also influence what this [new ABB] would be like.»

A Swedish manager of ABB described the same development as follows:

«The key issue was that we were developing something new that all of us could believe in. It was not Swedish, it was not Swiss, it was not Finnish. We were creating a new group that people could belong to.»

The interviewees also recounted how in situations of animosity or antagonism, negative features were often attributed to the other side in the organizational discussions. This was best exemplified in the case of Ovako Steel, where a Finnish manager recounted the emotions on the Finnish side as follows:

«In that situation [most difficult crisis period], we [people in Imatra] had a clear view of the Swedes. They represented everything bad. Every idea from them was seen in a negative light.»

A Swedish manager described their experiences during the same period:

«We had at that time little faith in our Finnish colleagues. They turned out to be men who could not carry out what they had promised. There is a clear cultural difference.»

Interestingly, «lack of honesty» or «untrustworthiness» were precisely the terms often used by Finnish interviewees when describing their experiences of the other side during periods of crisis.

A common experience was that in emotional turmoil, initial interpretations were strengthened by rather narrow-minded interpretations of specific incidents. A Finnish manager of Ovako Steel recounted their experiences after five years of unsuccessful integration efforts:

«Then we were really disappointed. We hold a very negative view of the Swedes in general. I think that (...) in the heat of the moment (...) we wanted to see them [Swedish managers] in a negative light. Everything they said or did in these meetings was on our side (...) at least by me (...) seen as examples of dishonesty characteristic of the Swedes.»

In turn, positive emotions often seemed to produce positive characterizations of the other side in the organizational discussions. Such positive attributions were especially evident in the actors' accounts of change projects that had benefited their own organization. A typical example was described by a manager of the Finnish Strömberg in explaining the changes following the company's acquisition of the Swedish Asea:

«What happened was that we saw many positive changes. I remember many discussions at Strömberg where we talked about the Swedes really being very positive partners, both in terms of their technical and managerial skills. I think that many of us had to adjust our views.»

The interviews also illustrate how these positive attributions were strengthened by internal discussions of positive experiences. For example, a manager of the Finnish Partek described their positive experiences ten years after the acquisition of Swedish Hiab-Foco as follows:

«It was a question of us becoming increasingly well aware of the Swedish operations. We learned to respect their culture. What was important were the talks where we [in Finland] compared our experiences and learned more positive things about them [Swedes].»

CULTURAL SENSEMAKING AS SOCIO-POLITICAL MANIPULATION

The interviews also indicate how the cultural conceptions were influenced by the socio-political dynamics of the integration projects. The most legitimate manifestations of this were the top decision makers' intentional efforts to lessen cultural confrontation and to develop a new

common identity. The top management actors often saw this «cultural management», «engineering» or «management of meaning» as their responsibility towards the organizations. This was most clearly illustrated in specific cultural programs in the form of statements of goals and values or specific seminars held.

Accordingly, in these messages the top management actors often emphasized cultural compatibility of beliefs and values and tried to create a sense of togetherness¹⁰. This was seen as especially important in cases where there was concern that the people «on the acquired side» would react negatively to a «takeover» of their company. As a key manager of the Swedish Asea put it when describing their efforts after the acquisition of Finnish Strömberg:

«We knew that we had to make people see that we are one. I was really afraid of the cultural clashes after the Swedes had taken over. So we dedicated much time and energy on the development of a new common culture, later ABB culture.»

However, it was also seen as important to avoid «us versus them» feelings in the settings characterized by a «balance of power». For example, a Swedish manager of Merita-Nordbanken described their cultural programs as follows:

«These [cultural seminars] have been part of the game where we [key managers] have tried to maintain the power balance. We have tried to show that both cultures are valuable, not so different and clearly contribute to our joint future.»

The actors often told about the positive effects of these kinds of efforts both as means to learn about cultural differences and lessen emotionally-laden cultural confrontation. For example, the Finnish manager of Merita-Nordbanken summarized their positive experiences as follows:

«I think that this work has definitely been worthwhile. It has made people think about the differences in a positive way and alleviated the sense of a match between Finland and Sweden [in Finnish “maaotteluhenki”].»

However, the actors could also point out how these types of international «cultural manipulation» efforts could become self-destructive when reinstating cultural stereotypes. For example, the CEO of former Nokia Data put it bluntly when describing their lack of success in integration the Finnish and Swedish operations:

«What the cultural seminars produced was fuel to the flames. They gave the people a sense that we are different and a means to escape responsibility.»

These programs could also be misinterpreted as cultural dominance and consequently evoke emotions of anger. This was described by a manager of the former Ericsson Information Systems referring to the same seminars:

«What these efforts essentially were [...] they wanted to make us Finnish. That I think did not serve any purpose except to make many of us feel disappointed.»

Claims concerning cultural differences and incompatibility could particularly be used as political tools when resisting specific changes. The internal discussions among and between key decision makers were

10. This is similar to the findings of social identity theorists who have examined the use of national and other social categorizations in politicized rhetoric (Hopkins and Reicher, 1996).

politically charged processes. Many of these discussions were related to changes that had fundamental consequences for the particular units, their employees, and careers of the managers. Consequently, there was often an open or underlying setting where the actors were trying to secure the future of their units or make the most out of the situation. This meant that claims concerning abstract issues such as cultural differences could be used as political arguments.

This could mean that it became a goal per se to defend one's own culture in the internal discussions by emphasizing the positive features of particular practices and by downplaying the positive features of the other side. A Finnish manager described the internal debates in Ovako Steel:

«We [Finns] on the one side and they [Swedes] on the other were simultaneously trying to convince others that it was precisely our way of operating that was the best. This certainly had a bad influence on the organization.»

This could also mean that the Finns could refer to specific traditions of their own as «cultural features» and argue that particular changes would not work or would be unacceptable. They could specifically argue that certain systems or ways of thinking would never work in the particular organizational context because of the «cultural mismatches». The actors could rationalize how their organizational practices were essential parts of the Finnish or Swedish culture and that challenging these issues would be a waste of time or have harmful consequences.

For example, in the Ovako Steel case, interviewees on both sides retrospectively confessed that they had often exaggerated the incompatibility of practices in the internal debates. The Swedes had argued forcefully that clean special steel could not be made with continuous casting technology when they wanted to avoid a possible shutdown or cutbacks on their side. The Finns respectively emphasized that Swedish production practices could not work for their customers when arguing against a possible shutdown of the production unit in Imatra.

In the words of a Finnish manager:

«What we did was that we turned into spokespersons [in Finnish "puhemies"] in the internal [management] meetings.»

In a more recent case, a Finnish member of the board of directors of Merita-Nordbanken could tell how they (on the Finnish side) had felt it necessary to emphasize cultural differences when trying to defend the future of a rather large Finnish service unit:

«We stuck together in claiming that it has been our tradition to provide such service for our corporate clients. I must admit that we did exaggerate the issue.»

A particularly interesting finding is the common experience that representatives of particular cultures have significant power in these internal sensemaking processes due to their superior knowledge of the specific circumstances. This is hard for the other side or the corporate management to dismiss. In this context one can talk about the «powerlessness of corporate management», implying that in many internal

debates the formal power of the corporate managers was more than offset by the specific knowledge of the representatives of particular units. Such an instance was reported by a Finnish manager of the former Nokia Data:

«We [at the corporate level] tried to make them [Swedes] adopt our way of thinking [concerning marketing]. But it was difficult when they could come up with such good reasons as to why this would not work. Their culture was different. And how could we argue when they had done so [marketed and sold computer technology] for years and we were the newcomers.»

The analysis also suggests that cultural differences or incompatibility serve as convenient attribution targets for failures or unsuccessful projects while successes are less clearly associated with cultural conceptions. The actors often wanted more or less consciously to disacknowledge managerial responsibility for failures. For this purpose, references to cultural differences were particularly effective. A manager of the Finnish Tampella described internal discussions concerning failed integration efforts after the acquisition of the Swedish Esselte Well as follows:

«I remember so clearly how the head of the acquired unit would hide behind cultural differences. When we asked why the project had failed he said that it was not our fault but the cultural differences.»

In turn, the actors' experiences indicated that successes were less frequently attributed to a lack of problematic cultural differences or positive differences in the internal discussions. It was often the case that the actors used the terms of the «strategic discourse» more than the «cultural discourse». In fact, recounting positive experiences rarely meant reference to «cultural differences» but more to concepts such as «strategic fit», «synergy», «value» or «transfer of knowledge». In other words, the «cultural rhetoric» was mainly associated with problems while the «strategic rhetoric» was associated with positive outcomes

This was often a result of a deliberate desire to emphasize their own actions, typically choices made, strategies developed or leadership manifested. A characteristic example was that of Asea's acquisition of Strömberg, where key actors often recounted successful projects by highlighting their own actions, as shown by the words of a Finnish manager in charge of an integration project:

«What was interesting to observe was that so many [key managers] were promoting their own careers by pointing out how they had made this or that. Success was seen as a result of their own strategies while little attention was paid to the fact that our [Strömberg's] products really fit their [Asea's and later ABB's] organization and that our cultures could complement each other.»

CONCLUSION

This article has concentrated on the cultural sensemaking processes in Finnish-Swedish mergers. This can be seen as a contribution to the existing research on cross-border mergers, where studies based on constructionist perspectives are still scarce (Kleppetø, 1993, 1998; Gertsen and Söderberg, 1998).

The analysis has led to a distinction of three concurrent sense-making processes labeled as «search for rational understanding», «emotional identification» and «socio-political manipulation». Although the distinction of the three processes is an analytical effort, this analysis has shown that all of these processes are important in terms of understanding the role of cultural conceptions in post-merger organizational change processes. In brief, the search for rational understanding is the process that most clearly resembles the ideal (and naive) view of cultural learning involving observation and analysis of "real" cultural differences. The empirical analysis, however, illustrates how this search is plagued by specific tendencies such as the problem-driven nature of the process itself. Interestingly, this indicates that problematic integration projects often lead to clear conceptions of cultural differences or incompatibility while less problematic experiences are less clearly associated with cultural conceptions. This is an important finding that partly helps to understand why unsuccessful rather than successful experiences are often linked with cultural differences (e.g., Krishnan et al., 1997; Morosini et al., 1998).

Emotional identification with either side of the merging organizations is another key process in post-merger cultural sensemaking. This process is often suppressed as the actors intentionally try to refrain from taking sides. However, this process is easily triggered when confronted with major changes in the merging organizations. Rather than providing a pre-emptive analysis on these complex processes, the evidence illustrates how fear of change, anger and other negative emotions easily lead to cultural confrontation and how positive emotions are respectively linked with cultural attachment. The evidence also shows how negative emotions produce negative and positive cultural attributes, strengthening cultural alienation or attachment. In this sense, international mergers and acquisitions are clearly particularly problematic, as much of this antagonistic rhetoric may stem from xenophobic interpretations of national juxtaposition.

The analysis also shows that cultural sensemaking involves a process of socio-political manipulation. The revelation of this process is important as the inherent political settings have to a large extent been neglected in prior research on mergers. In fact, there are only few examples in prior studies on mergers (Mirvis and Marks, 1992; Vaara, 1999a) and joint ventures (Salk, 1997) that have given specific attention to this political side of cultural attributions. This analysis, however, illustrates how claims concerning cultural differences may, however, be used as political tools when promoting or resisting organizational changes. A particularly interesting discovery is that representatives of

specific cultures have significant power in the internal debates due to their superior knowledge of the beliefs and practices in the organization (culture) in question. This is clearly a specific problem in international mergers because, for example due to geographical distance, the actors may often have only a relatively superficial understanding of the beliefs and practices of the other side. This study also shows how organizational actors often find cultural differences convenient attribution targets. Consequently, failures or unsuccessful experiences are often purposefully attributed to cultural differences, while successes are explained by other factors, such as the management's actions. In addition to the cognitive tendency to search explanations for problems in cultural difference, this provides another explanation to the tendency to link cultural differences with failure.

The analysis has thus led to specific propositions concerning the post-merger cultural sensemaking processes, as summarized in **Table 3**. These propositions should be taken as preliminary findings that warrant further corroboration and specification in future research.

Table 3. Propositions Concerning Cultural Sensemaking Processes in the Post-Merger Context

	Propositions
Cultural sensemaking as a search for rational understanding	1.— Problematic integration projects often lead to conceptions of cultural differences or incompatibility while less problematic experiences are less clearly associated with cultural conceptions
Cultural sensemaking as emotional identification	2.— Negative emotions tend to produce cultural alienation and thus conceptions of cultural differences or incompatibility while positive emotions lead to cultural attachment 3.— Negative emotions usually produce negative and positive emotions positive cultural attributions
Cultural sensemaking as socio-political manipulation	4.— Change promotion often produces conceptions of cultural similarity and compatibility while change resistance leads to conceptions of cultural differences and incompatibility 5.— Cultural differences and incompatibility serve as convenient attribution targets for failures

It should also be emphasized that the relations and interlinkages between the sensemaking processes require both conceptual development and focused empirical research efforts. A logical step further would be to examine how, for example, cognitive and affective mechanisms are entwined or operate together (Fineman, 1996). It would be particularly interesting to see how emotions are turned into specific cognitions.

There is also a need for studies that distinguish more clearly different epistemological layers in actors' accounts of organizational change processes. Future studies could concentrate on the actors' narratives (see Czarniawska, 1997) and thereby examine the relation between retrospective accounts and sensemaking processes in actual organizational processes. These studies could also focus on interesting phe-

nomena such as using cultural differences as scapegoats in retrospective narratives of these processes (e.g., Brown and Jones, 2000).

In addition to these more general propositions concerning the sense-making processes, the study reveals two particularly interesting tendencies that may often characterize cultural sensemaking in the context of neighboring countries with close cultural-historical ties. First, the Finnish-Swedish setting manifests a *paradox of cultural proximity*: the problem of disregarding actual cultural differences in a context of assumed cultural proximity. This finding partially explains the experiences that sometimes cultural differences between close cultures are more problematic than those between distant cultures as in the former case the differences easily remain unrecognized (see also O'Grady and Lane, 1996; Larsson and Risberg, 1998). These findings cast serious doubt on the cultural distance ideology (e.g., Hofstede, 1997).

Second, the analysis of the Finnish-Swedish evidence manifests an *historical inferiority-superiority relation*. The evidence indicates how Finns may suffer from a "little brother" or inferiority complex vis-à-vis the Swedes, while the Swedes may easily see themselves as "big brothers" or undermine the value of the Finnish beliefs and practices. These syndromes may be myths, but they are easily evoked in situations of internal turmoil.

What does this study then tell about the "reality" of the top decision makers in cross-border cultural integration processes? This reality seems to be characterized by a need to position oneself outside the merging organizations and have an objective view of cultural differences. However, at the same time, as most of the members come from the previously separate organizations and represent different nationalities, they are at another level emotionally bound to these cultures. Their situation can even resemble schizophrenia as they are thus forced to think rationally and manage the creation of the new post-merger culture while suffering from cultural biases—being emotionally attached to their previous organizational and national culture. This reality becomes even more complex when one takes into account the political side of their activities, meaning more or less legitimate attempts to lead the formation of the new culture and to use cultural rhetoric to pursue specific agendas.

This paper has concentrated on organizational actors' cultural sense-making processes in the context of post-merger integration. As such, the sensemaking perspective taken does not undermine the realistic approach to organizational or national cultures, which has dominated research in this area (Buono and Bowditch, 1989; Cartwright and Cooper, 1992; Morosini and Singh, 1994; Weber, 1996). It rather complements it by highlighting another epistemological layer: the role that cultural sensemaking processes play in the world of the decision makers when they are dealing with complex questions concerning organizational integration in the aftermath of mergers and acquisitions.

This constructive process has received little attention in prior research on mergers and acquisitions focusing attention primarily on the initial cultural differences as predictors of consequent organizational problems. Nevertheless, it is important to understand how the dominant

cultural conceptions in postmodern organizations created by mergers are firmly related to the actors' experiences of actual integration efforts. Thus conceptions of cultural differences are not only reflections of real cultural differences but are also constructed through complex cognitive, emotional and political sensemaking processes within the post-merger organization.

Endnote. The author wishes to thank the three anonymous reviewers for their constructive comments on the earlier versions of this paper.

Eero Vaara is a professor at the Department of International Business at the Helsinki School of Economics and Business Administration. His current research interests focus on organizational change (particularly mergers and acquisitions), managerial and organizational discourse and narratives, and epistemological questions in organization and management research.

REFERENCES

- Aaltio-Marjosola, Iiris 1991
Cultural Change in a Business Enterprise: Studying a Major Organizational Change and its Impact on Culture, *Working Paper*, Helsinki: Helsinki School of Economics and Business Administration.
- Alvesson, Mats, and Per O. Berg 1992
Corporate Culture and Organizational Symbolism, Berlin: de Gruyter.
- Ashforth, Blake E., and Fred A. Mael 1989
Social Identity Theory and the Organization, *Academy of Management Review*, 14:1, 20-39.
- Barley, Stephen R. 1990
Images of Imaging: Notes on Doing Longitudinal Fieldwork, *Organization Science*, 3:2, 220-247.
- Berger, Peter L., and Thomas Luckmann 1966
The Social Construction of Reality, New York: Doubleday.
- Berry, John W. 1980
Acculturation as Varieties of Adaptation, in Amado M. Padilla (Ed.), *Acculturation: Theory, Models and Some New Findings*, Boulder: Westview Press, 9-25.
- Brown, Andrew D., and Matthew Jones 2000
Honourable Members and Dishonourable Deeds: Sensemaking, Impression Management and Legitimation in the "Arms of Iraq Affair", *Human Relations*, 53:5, 655-690.
- Buono, Anthony F., and James L. Bowditch 1989
The Human Side of Mergers and Acquisitions: Managing Collisions between People, Cultures, and Organizations, San Francisco: Jossey-Bass.
- Buono, Anthony F., James L. Bowditch, and John W. Lewis III 1985
When Cultures Collide: The Anatomy of a Merger, *Human Relations*, 38:5, 477-500.
- Calori, Roland, Michael Lubatkin, and Philippe Very 1994
Control Mechanisms in Cross-Border Acquisitions: An International Comparison, *Organization Studies*, 15:3, 361-379.
- Calori, Roland, Michael Lubatkin, Philippe Very, and John F. Veiga 1997
Modelling the Origins of Nationally-Bound Administrative Heritages: A Historical Institutional Analysis of French and British Firms, *Organization Science*, 8:6, 681-696.
- Cartwright, Susan, and Cary L. Cooper 1992
Mergers and Acquisitions: The Human Factor, Oxford: Butterworth-Heinemann.
- Cartwright, Susan, and Cary L. Cooper 1993
The Role of Culture Compatibility in Successful Organizational Marriage, *Academy of Management Executive*, 7:2, 57-70.

- Chatterjee, Sayan, Michael H. Lubatkin, David M. Schweiger, and Yaakov Weber 1992
Cultural Differences and Shareholder Value in Related Mergers: Linking Equity and Human Capital, *Strategic Management Journal*, 13:5, 319-334.
- Czarniawska, Barbara 1997
Narrating the Organization, Chicago: University of Chicago Press.
- Czarniawska-Joerges, Barbara 1992
Exploring Complex Organizations: A Cultural Perspective, Newbury Park: Sage.
- Datta, Deepak K. 1991
Organizational Fit and Acquisition Performance: Effects of Post-Acquisition Integration, *Strategic Management Journal*, 12:4, 281-297.
- David, Kenneth 1977
Epilogue: What Shall We Mean by Changing Identities?, in Kenneth David (Ed.), *The New Wind: Changing Identities in South Asia*, in the series World Anthropology: Proceedings of the Ninth International Conference of Anthropological and Ethnological Sciences, The Hague: Mouton, 443-517.
- Davis, Richard E. 1968
Compatibility in Corporate Marriages, *Harvard Business Review*, 46: 4, 86-93.
- Duhaime, Irene M., and Charles R. Schwenk 1985
Conjectures on Cognitive Simplification in Acquisition and Divestment Decision Making, *Academy of Management Review*, 10:2, 287-295.
- Dutton, Jane E., and Janet M. Dukerich 1991
Keeping an Eye on the Mirror: Image and Identity in Organizational Adaptation, *Academy of Management Journal*, 34:3, 517-554.
- Dutton, Jane E., and Susan E. Jackson 1987
Categorizing Strategic Issues: Links to Organizational Action, *Academy of Management Review*, 12:1, 76-90.
- Ekwall, Anita, and Svenolof Karlsson, 1999
Kohtaaminen Suomi-Ruotsi – kirja kulttuurieroista ja johtajuudesta, Vaasa: Storkamp Media.
- Elsass, Priscilla M., and John F. Veiga 1994
Acculturation in Acquired Organizations: A Force-Field Perspective, *Human Relations*, 47:4, 431-453.
- Fineman, Stephen 1996
Emotion and Organizing, in Stewart R. Clegg, Cynthia Hardy, and Walter R. Nord (Eds.), *Handbook of Organization Studies*, London: Sage, 543-564.
- Frijda, Nico H. 1994
Varieties of Affect: Emotions and Episodes, Moods, and Sentiments, in Paul Ekman and Richard J. Davidson (Eds.), *The Nature of Emotion: Fundamental Questions*, New York: Oxford University Press, 59-67.
- Frost, Peter J., Larry F. Moore, Meryl Reis Louis, Craig C. Lundberg, and Joanne Martin 1991
Reframing Organizational Culture, Newbury Park: Sage.
- Gertsen, Martine C., and Anne-Marie Søderberg 1998
Foreign Acquisitions in Denmark: Cultural and Communicative Dimensions, in Martine C. Gertsen, Anne-Marie Søderberg, and Jens E. Torp (Eds.), *Cultural Dimensions of International Mergers and Acquisitions*, Berlin: de Gruyter, 167-196.
- Gertsen, Martine C., Anne-Marie Søderberg, and Jens E. Torp 1998
Different Approaches to Understanding of Culture in Mergers and Acquisitions, in Martine C. Gertsen, Anne-Marie Søderberg, and Jens E. Torp (Eds.), *Cultural Dimensions of International Mergers and Acquisitions*, Berlin: de Gruyter, 17-38.
- Gioia, Dennis A., and James B. Thomas 1996
Identity, Image, and Issue Interpretation: Sensemaking during Strategic Change in Academia, *Administrative Science Quarterly*, 41:3, 370-403.
- Gioia, Dennis A., and Kumar Chittipeddi 1991
Sensemaking and Sensegiving in Strategic Change Initiation, *Strategic Management Journal*, 12:6, 433-448.
- Glaser, Barney G., and Anselm L. Strauss 1967
The Discovery of Grounded Theory: Strategies for Qualitative Research, Chicago: Aldine.
- Greenwood, Royston, C. R. Hinings, and John Brown 1994
Merging Professional Service Firms, *Organization Science*, 5:2, 239-257.
- Hambrick, Donald C., and Albert A. Cannella 1993
Relative Standing: A Framework for Understanding the Departures of Acquired Executives, *Academy of Management Journal*, 36:4, 733-762.
- Hardy, Cynthia, and Stewart R. Clegg 1996
Some Dare Call It Power, in Stewart R. Clegg, Cynthia Hardy, and Walter R. Nord (Eds.), *Handbook of Organization Studies*, London: Sage, 622-641.
- Harris, Stanley G. 1994
Organizational Culture and Individual Sensemaking: A Schema-Based Perspective, *Organization Science*, 5:3, 309-321.
- Haspeslagh, Philippe C., and David B. Jemison 1991
Managing Acquisitions: Creating Value Through Corporate Renewal, New York: Free Press.
- Hatch, Mary Jo 1993
The Dynamics of Organizational Culture, *Academy of Management Review*, 18:4, 657-693.
- Hofstede, Geert 1997
Cultures and Organizations: Software of the Mind, New York: McGraw-Hill.

- Hopkins, Nick, and Steve Reicher 1996
The Construction of Social Categories and Processes of Social Change: Arguing about National Identities, in Glynis M. Breakwell and Evanthia Lyons (Eds.), *Changing European Identities: Social Psychological Analyses of Social Change*, Oxford: Butterworth-Heinemann, 69-93.
- Huff, Anne S. 1988
Politics and Argument as Means of Coping with Ambiguity and Change, in Louis R. Pondy, Richard J. Boland, Jr., and Howard Thomas (Eds.) *Managing Ambiguity and Change*, New York: Wiley, 79-90.
- Jemison, David B., and Sam B. Sitkin 1986
Corporate Acquisitions: A Process Perspective, *Academy of Management Review*, 11:1, 145-163.
- Kim, W. Chan, and Renee A. Mauborgne 1991
Implementing Global Strategies: The Role of Procedural Justice, *Strategic Management Journal*, 12: Summer Special Issue, 125-144.
- Kleppetø, Stein 1993
Kultur och identitet vid företagsuppköp och fusioner, Stockholm: Nerenius & Santérus förlag.
- Kleppetø, Stein 1998
A Quest for Social Identity—The Pragmatics of Communication in Mergers and Acquisitions, in Martine C. Gertsen, Anne-Marie Søderberg, and Jens E. Torp (Eds.), *Cultural Dimensions of International Mergers and Acquisitions*, Berlin: de Gruyter, 147-168.
- Kogut, Bruce, and Harbir Singh 1988
The Effect of Natural Culture on the Choice of Entry Mode, *Journal of International Business Studies*, 19:2, 411-432.
- Krishnan, Hema A., Alex Miller, and William Q. Judge 1997
Diversification and Top Management Team Complementarity: Is Performance Improved by Merging Similar or Dissimilar Teams?, *Strategic Management Journal*, 18:5, 361-374.
- Kunda, Gideon 1991
Engineering Culture: Control and Commitment in a High-Tech Corporation, Philadelphia: Temple University Press.
- Laine-Sveiby, Kati 1987
Svenskhet som strategi, Stockholm: Timbro.
- Laine-Sveiby, Kati 1991
Suomalaisuus strategiana, Juva: WSOY.
- Larsson, Rikard 1993
Barriers to Acculturation in Mergers and Acquisitions: Strategic Human Resource Implications, *Journal of European Business Education*, 2:2, 1-18.
- Larsson, Rikard, and Anette Risberg 1998
Cultural Awareness and National Versus Corporate Barriers to Acculturation, in Martine C. Gertsen, Anne-Marie Søderberg, and Jens E. Torp (Eds.), *Cultural Dimensions of International Mergers and Acquisitions*, Berlin: de Gruyter, 39-56.
- Lilius, Mikael 1993
Företagskulturen i finländska och svenska företag, *Ekonomiska samfundets tidskrift*, 46:2, 89-94.
- Lindstead, Stephen, and Robert Grafton-Small 1992
On Reading Organizational Culture, *Organization Studies*, 13:3, 331-355.
- Louis, Meryl R. 1980
Surprise and Sensemaking: What Newcomers Experience in Entering Unfamiliar Organizational Settings, *Administrative Science Quarterly*, 25:1, 226-251.
- Martin, Joanne 1992
Cultures in Organizations: Three Perspectives, New York: Oxford University Press.
- Martin, Joanne, and Peter Frost 1996
The Organizational Culture War Games: A Struggle for Intellectual Dominance, in Stewart R. Clegg, Cynthia Hardy, and Walter R. Nord (Eds.), *Handbook of Organization Studies*, London: Sage, 599-621.
- Mirvis, Philip H., and Mitchell Lee Marks 1992
Managing the Merger, Englewood Cliffs: Prentice Hall.
- Morosini, Piero, and Harbir Singh 1994
Post-Cross-Border Acquisitions: Implementing 'National-Culture-Compatible' Strategies to Improve Performance, *European Management Journal*, 12:4, 390-400.
- Morosini, Piero, S. Shane, and Harbir Singh 1998
National Cultural Difference and Cross-Border Acquisition Performance, *Journal of International Business Studies*, 29:1, 137-158.
- Nahavandi, Afsaneh, and Ali R. Malekzadeh 1988
Acculturation in Mergers and Acquisitions, *Academy of Management Review*, 13:1, 79-90.
- Nahavandi, Afsaneh, and Ali R. Malekzadeh 1993
Organizational Culture in the Management of Mergers, Westport: Quorum Books.
- O'Grady, Shawna, and Henry W. Lane 1996
The Psychic Distance Paradox, *Journal of International Business Studies*, 27:2, 309-333.
- Olie, René 1994
Shades of Culture and Institutions in International Mergers, *Organization Studies*, 15:3, 381-405.
- Olie, René 1996
European Transnational Mergers, Maastricht: Proefschrift Rijksuniversiteit Limburg.
- Parker, Martin 2000
Organizational Culture and Identity: Unity and Division at Work, London: Sage.
- Pettigrew, Andrew 1979
On Studying Organizational Cultures, *Administrative Science Quarterly*, 24:4, 570-581.

- Porac, Joseph F., H. Thomas, and Charles Baden-Fuller 1989
Competitive Groups as Cognitive Communities: The Case of Scottish Knitwear Manufacturers, *Journal of Management Studies*, 26:4, 397-416.
- Sackmann, Sonja A. 1991
Cultural Knowledge in Organizations: Exploring the Collective Mind, Newbury Park: Sage.
- Sales, Amy L., and Philip H. Mirvis 1984
When Cultures Collide: Issues in Acquisitions, in John R. Kimberley and Robert E. Quinn (Eds.), *New Futures: The Challenge of Managing Corporate Transitions*, Homewood: Dow Jones-Irwin, 107-133.
- Salk, Jane 1997
Partners and Other Strangers: Cultural Boundaries and Cross-Cultural Encounters in International Joint Venture Teams, *International Studies of Management & Organization*, 26:4, 48-72.
- Sayer, Andrew 1992
Method in Social Science: A Realist Approach, London: Routledge.
- Schein, Edgar H. 1992
Organizational Culture and Leadership, San Francisco: Jossey-Bass.
- Schultz, Majken 1994
On Studying Organizational Cultures: Diagnosis and Understanding, Berlin: de Gruyter.
- Shrivastava, Paul 1986
Postmerger Integration, *Journal of Business Strategy*, 7:1, 65-76.
- Suutari, Vesa 1996
Variation in the Average Leadership Behaviour of Managers Across Countries: Finnish Expatriates' Experiences from Germany, Sweden, France and Great Britain, *The International Journal of Human Resource Management*, 7:3, 677-707.
- Tajfel, Henri, and John C. Turner 1979
An Integrative Theory of Intergroup Conflict, in William G. Austin and Stephen Worchel (Eds.), *The Social Psychology of Intergroup Relations*, Monterey: Brooks/Cole, 33-47.
- Trompenaars, Fons 1993
Riding the Waves of Culture: Understanding Cultural Diversity in Business, London: Brealey.
- Turner, Barry A. 1986
Sociological Aspects of Organizational Symbolism, *Organization Studies*, 7:1, 101-115.
- Turner, John C. 1985
Social Categorization and the Self-Concept: A Social Cognitive Theory of Group Behaviour, in Edward J. Lawler (Ed.), *Advances in Group Processes: Theory and Research*, Vol. 2, Greenwich: JAI Press, 77-121.
- Vaara, Eero 1999a
Towards a Rediscovery of Organizational Politics: Essays on Organizational Integration Following Mergers and Acquisitions, Helsinki: Helsinki School of Economics and Business Administration.
- Vaara, Eero 1999b
Cultural Differences and Postmerger Problems: Misconceptions and Cognitive Simplifications, *Nordiske Organisationsstudier*, 1:2, 59-88.
- Vaara, Eero forthcoming
Role-Bound Actors in Corporate Combination: A Study of Decision Making in Change Processes Following a Merger, *Scandinavian Journal of Management*.
- Van Maanen, John 1988
Tales of the Field: On Writing Ethnography, Chicago: The University of Chicago Press.
- Very, Philippe, Michael Lubatkin, and Roland Calori 1998
A Cross-National Assessment of Acculturative Stress in Recent European Mergers, in Martine C. Gertsen, Anne-Marie Søderberg, and Jens E. Torp (Eds.), *Cultural Dimensions of International Mergers and Acquisitions*, Berlin: de Gruyter, 85-110.
- Very, Philippe, Michael Lubatkin, Roland Calori, and John Veiga 1997
Relative Standing and the Performance of Recently Acquired European Firms, *Strategic Management Journal*, 18:8, 593-614.
- Walter, Gordon A. 1985
Culture Collisions in Mergers and Acquisitions, in Peter J. Frost, Larry F. Moore, Meryl Reis Louis, Craig C. Lundberg, and Joanne Martin (Eds.), *Organizational Culture*, Beverly Hills: Sage, 301-314.
- Weber, Yaakov 1996
Corporate Cultural Fit and Performance in Mergers and Acquisitions, *Human Relations*, 49:9, 1181-1202.
- Weber, Yaakov, Oded Shenkar, and Adi Raveh 1996
National and Corporate Cultural Fit in Mergers/Acquisitions: An Exploratory Study, *Management Science*, 42:8, 1215-1227.
- Weick, Karl E. 1995
Sensemaking in Organizations, Thousand Oaks: Sage.
- Willmott, Hugh 1993
Strength is Ignorance; Slavery is Freedom: Managing Culture in Modern Organizations, *Journal of Management Studies*, 30:4, 515-552.