



UNIVERSITY OF GOTHENBURG
SCHOOL OF BUSINESS, ECONOMICS AND LAW

University of Gothenburg
School of Business, Economics and Law
Institute of Business Administration

“They can name us what they want”

- A case study from an organizational identity perspective of an integration process in a consultancy company.

FEA418 Master Thesis, Management

Spring 2012

Authors:

Johanna Andersson & Linda Milve

Tutor:

Elena Raviola

Abstract

In 2010, two large Nordic companies operating within the IT sector merged and decided to create a brand-new company together. Our study takes place during the spring of 2012, during which time the new company – which in this thesis is called NewCo – was launched internally and externally. The purpose of this case study is to understand the integration process within a consultancy company from an organizational identity perspective. Through interviews and observations, we have performed a qualitative study of how employees in the Gothenburg office experience the ongoing organizational identity work. The Gothenburg office's primary activities concern IT consultancy, and having a consistent organizational identity is especially important in consultancy companies since it is one of the few ways through which management can control consultants' behavior. Furthermore, organizational identity issues are likely to present in all mergers, and it can both hinder and/or facilitate the integration processes taking place after a merger.

We found that the Gothenburg employees have a strong organizational identity that permeates the local organization. Their organizational identity is based on identification with mainly two things: the Gothenburg office and professionalism. Our findings map out how the organizational identity of both the Gothenburg office and the surrounding organization affect and influence each other. Although integrating merging companies is an ongoing process rather than a goal one ever reaches, we have found the first stage of the integration process to be promising in terms of the possibilities for realizing further unification efforts. However, the employees still identify primarily with the Gothenburg office rather than NewCo.

Keywords: Organizational Identity, Integration Process, Mergers, Consultancy Companies.

Acknowledgements

First of all, we would like to thank our case company for cooperating and providing us with information as well as access to the company's premises. We are grateful for the contributions from both the interviewees and other employees we have talked to, without their participation this study would not have been possible. Last but not least, we would also like to thank our wonderful tutor Elena Raviola for her insightful feedback as well as her tireless commitment to helping us through the research process.

Gothenburg, May 2012

Johanna Andersson & Linda Milve

Table of contents

| | |
|--|----|
| 1. Introduction | 1 |
| 1.2 Disposition | 2 |
| 2. Frame of Reference | 3 |
| 2.1 Mergers..... | 5 |
| 2.1.1 Strategic Issues | 5 |
| 2.1.2 Organizational Issues | 6 |
| 2.2 Organizational Identity..... | 7 |
| 2.2.1 Studies on Organizational Identity | 7 |
| 2.2.2 Organizational Identity in Mergers | 9 |
| 2.2.3 New Company Names..... | 10 |
| 2.3 Consultancy Companies | 10 |
| 2.4 Summary | 12 |
| 3. Methodology | 12 |
| 3.1 Beginnings..... | 13 |
| 3.1.1 Interviews | 13 |
| 3.1.2 Observations | 14 |
| 3.2 Analyzing the Collected Material..... | 15 |
| 3.3 Generalization and Reliability..... | 15 |
| 4. Field Study: The Organization | 16 |
| 4.1 FindIT | 16 |
| 4.2 From FindIT to BTDB | 17 |
| 4.3 From BTDB to NewCo | 18 |
| 4.3.1 The Workshop | 18 |

| | |
|--|----|
| 4.3.2 The Oslo Ceremony..... | 19 |
| 5. Findings and Analysis | 19 |
| 5.1 Identity | 20 |
| 5.1.1 The FindIT Spirit..... | 20 |
| 5.1.2 Local Management..... | 22 |
| 5.1.3 Professionalism | 23 |
| 5.1.4 Organizational Independence | 25 |
| 5.1.5 The Prolonged Merger Process | 26 |
| 5.2 Identity Work..... | 28 |
| 5.2.1 Rehearsed Vocabulary | 28 |
| 5.2.2 Irony | 30 |
| 5.2.3 Identity through Alterity..... | 31 |
| 6. Discussion | 33 |
| 6.1 Theoretical implications | 33 |
| 6.2 Practical implications | 37 |
| 7. Conclusion..... | 40 |
| Bibliography..... | 41 |
| Appendix 1: Interviewees..... | 46 |
| Appendix 2: Interview 1 Template | 46 |
| Appendix 3: Interview 2 Template | 47 |
| Appendix 4: Figure 1..... | 47 |
| Appendix 5: Figure 2..... | 48 |

1. Introduction

During the past decade, merger activities have gradually increased in both total number of deals being made and in the value of merger transactions (Daniel and Metcalf, 2001). Although mergers are generally very complicated and costly (Schweiger et al., 1993: Van Leuween et al., 2003), companies have many reasons to support a decision to merge with another firm: the most dominant one being to quickly accelerate company growth by expansion, and other reasons include to protect current market shares or to acquire new technology or business segments (Daniel and Metcalf, 2001: Angwin, 2007). Furthermore, employees play an important role in mergers since change does not happen on its own, and thus human dedication, energy and activity is required for creation and implementation of change (Daft, 2010). Correspondingly, mergers normally have a significant psychological impact on the employees involved (van Kippenberg et al., 2002). The merger stage in which merging companies join together various elements, such as their employees, is called integration (Aguilera and Dencker, 2004), and during the integration stage employees tend to question their own personal situation within the company (van Kippenberg et al., 2002).

Because of mergers' psychological impact on employees, the ultimate challenge in a merger is to rebuild the new company as unified: i.e. create a new common *organizational identity* (Schweiger et al., 1993: Haunschild et al., 1994: Vaara et al., 2003). An organizational identity is more than just the company's name or logotype, it can rather be described as shared beliefs among organizational members about what constitutes the organization's distinctive and central characteristics (Hatch and Schultz, 1997: Lane and Scott, 2000: Corley, 2004: Brunninge, 2005). For customers, a company's organizational identity gives a certain image of what the company does, what kind of people work there and how their work is performed (Gioia et.al. 2000). For employees, the organizational identity provides a sense of how the company fits into its context and how the employees are expected to behave internally as well as externally. Considering this, it is perhaps unsurprising that issues of organizational identity are likely to be present in almost all mergers (Zaheer et al., 2003).

In 2010 there was a merger between two large Nordic companies: BTDB and ReroGroup¹ - both operating in the IT sector with subdivisions in Sweden, Norway and Finland. In Sweden, BTDB operates mainly through the BTDB offices in Gothenburg and Stockholm, and ReroGroup operates through its subdivision BETAteam's smaller offices

¹ All the companies in this thesis have fictitious names due to anonymity reasons.

around the country. The companies decided to create a whole new brand together, thus developing a new name, logotype, vision, mission etc. that would encompass all their underlying business units, in order to become the market leader in the Nordic region. While the new brand was being developed, the company called itself BTDB ReroGroup BETAteam.

The new brand, called NewCo, was presented during a big release ceremony in Oslo in March 2012, to which all employees were invited. In this thesis, through interviews and observations, we will conduct a case study of the integration process aimed at uniting the two companies into one brand-new company. More specifically, we will focus our study on the office in Gothenburg, Sweden, which before becoming a part of NewCo and BTDB was a company named FindIT. Since being founded in 1988, the Gothenburg office's primary activities have concerned IT consultancy. IT consultancy firms are professional service companies in which marketing: production and development often are performed by the same individuals (Alvesson, 2004). Consultants often carry out their day-to-day-work in customers' locations rather than at their own office, and therefore consultancy companies are generally characterized by a high level of autonomy and flat organizational structures (Schilling, 2008). In other words, since the consultants are in a different physical space than the managers, management in consultancy companies do not have much opportunity to monitor employees' performance. Therefore, although organizational identity is considered to be important for most organizations (Ashforth and Mael, 1989; Gioia and Thomas, 1996; Elsbach, 2003), it is especially important for consultancy companies since organizational identity is one of the few ways in which managers can control consultants' behavior (Alvesson, 2004).

The purpose of this thesis is to understand the integration process from an organizational identity perspective. Therefore, we have performed a qualitative study - based on interviews and observations with both managers and consultants - of the merger between BTDB and ReroGroup, focusing on the Gothenburg office's employees' experience of the ongoing identity work rolled out by NewCo's management. To gain an appropriate theoretical understanding, we have explored three main areas of literature: mergers, organizational identity and consultancy companies. By analyzing how one office handles the change processes taking place during the spring of 2012, we hope to make a valuable contribution to the studies of organizational identity in mergers in a consultancy setting.

1.2 Disposition

- 1. Frame of Reference* - we provide a review of previous research related to our topic.
- 2. Methodology* - discusses our research process and how data was collected and analyzed.

3. *Field study: The Organization* - we introduce the case company and describe the organizational history, i.e. the previous and ongoing organizational changes.

4. *Findings and Analysis* - we reflect on the collected material from our observations and the held interviews in the Gothenburg office and try to place them in a wider theoretical context.

5. *Discussion*

6. *Conclusion*

2. Frame of Reference

The aim of this case study is to use an organizational identity perspective to investigate employees' perceptions of an integration process in a consultancy company. Thus, there are three main areas of literature we will look into: mergers, organizational identity and consultancy companies. When looking at literature that discusses mergers, we found several different views on what a merger is: Angwin (2007) and Daft (2010) use the most common definition that a merger is when a totally new company is created out of two already existing companies. However, this process is called a *consolidation* by Gaughan (2011), and the author instead claims that a merger is a combination of two companies in which only one survives and the other one ceases to exist. But Gaughan (2011) also argues that, despite the differences, the terms merger and consolidation are often used interchangeably. In practice, the term merger is broadly applied to combinations of both different and similarly sized firms, and in this thesis we will hereafter use the term merger.

Mergers are often categorized as horizontal, vertical or conglomerate. A horizontal merger is signified by two companies, usually competitors, that combine to experience a growth in market power, whereas vertical mergers are a combination of companies that have a buyer-seller relationship, and conglomerate is when companies combine and enter each other's totally unfamiliar markets (Angwin, 2007). Thus, in our case study we will be analyzing a horizontal merger, as BTDB and ReroGroup's business areas overlap and the merger aims to provide the new constellation with increased market power. Regarding the merger process, Aguilera and Dencker (2004) divide it into three main stages: pre-announcement, pre-merger and integration.

The first stage involves discussion among potential merging companies, mostly about the strategy and financial structure of the deal. The second, pre-merger stage occurs between the announcement of the merger and the closing of the deal, which means that it includes planning of integration and communication in the new company. However, in our case study

we will be focusing on the last stage, the integration stage, which involves the physical integration of various elements, such as the employees, in the merging companies. We find this stage of the merger process to be particularly interesting because of its psychological impact on the employees.

Since we aim to examine the integration stage through an organizational identity perspective, we studied previous research on identity and encountered many concepts used to describe an organization's activities: the most frequently reoccurring being *image*, *reputation*, *organizational culture*, and *organizational identity*. In an attempt to sort out this bundle of ideas, we noted that certain common distinctions have been made between these concepts. For example, image and reputation generally are associated with external parties' views on the organization - reputations being long-lived and more general, and images rather short-lived and specific - whereas organizational identity is connected to organizational insiders' perceptions and is long-lived as well as general and specific at the same time (Lane and Scott, 2000; Elsbach, 2003). Furthermore, organizational identity can also be described as shared beliefs among organizational members about what constitutes the organization's distinctive and central characteristics (Hatch and Schultz, 1997; Lane and Scott, 2000; Corley, 2004; Brunninge, 2005).

Regarding organizational culture, it is a concept made popular during the 1980's (Deshpandé et.al., 1993) that has a lot in common with organizational identity in the sense that both concepts are used to describe various ways in which stakeholders interpret an organization's values, characteristics, norms etc. However, the two concepts are usually conceptually distinguished from one another by researchers (Hatch and Shultz, 1997; Corley, 2004), and in order to facilitate the reader's experience of this thesis we choose to use *organizational identity* as an overall term to describe how organizational members' perceive what characterizes their organization and their feelings towards that organization.

Seeing as our case study takes place in a consultancy company, we wanted to find out what generally characterizes this type of organization as well as the consultancy profession itself. Most research on the consultancy profession focuses on management consultants in particular (Fincham, 1999; McKenna, 2001; Mäkiläinen et.al., 2004; Sturdy, 2011), but since the concept of management consultants is fairly widely defined we considered it possible to draw some generalized conclusions from these studies that apply to the case company. Another concept that proved to be highly prominent in most studies is *knowledge-intensive firms*. The concept of knowledge-intensive firms is wide and rather vague, but can roughly be

described as organizations that are reliant on the knowledge and complex problem solving skills residing within the individual worker, rather than in routines and/or machines (Alvesson, 1995). In accordance with Alvesson (1995), we argue that the concept of knowledge-intensive firms can be applied on consultancy firms, since the competences that are at the core of the business are highly internalized within each individual employee.

2.1 Mergers

As mentioned above, we found that the previous research can be divided into three focal areas: Mergers, Organizational Identity and Consultancy Companies. Although parts of the reviewed literature overlap some or all of these areas, in the following sections we will make an effort to present what we consider to be the key points of each research area.

2.1.1 Strategic Issues

Since organizational change generally can become very costly in both financial and human terms, unnecessary changes should be avoided during the implementation process of a merger (Schweiger et al., 1993). Consequently, Schweiger et al. (1993) discuss *the principle of minimal intervention*, which means to undertake only those changes needed to realize the value of the merger strategy. Thus, the principle of minimal intervention focuses only on those areas where integration of the two companies is necessary in order to capture values and benefits. The complexity in the integration and implementation process will therefore vary depending on the changes that are needed within both companies to reach the strategy goals. For example, in a merger between two differentiated companies change may be limited to divisions where there are potential benefits from integration. In some mergers there will be competitive advantages, to keep some key functions on a local level. Thus, even though mergers can be very complex, Schweiger et al. (1993) illustrate that not all organizational divisions should or will experience the same level of change. Moreover, according to Meyer and Rowan (1977), formal organizational structures arise in modern societies and many organizations adopt them ceremonially. However, the efforts needed to align with the circulating ideas about formal structures conflict with organizations' efficiency, since organizations also need to maintain their activities in the operational level. Therefore, in order to maintain ceremonial conformity – i.e. formal structures - organizations become loosely coupled, building gaps between their formal structures and actual work activities. Consequently, an organization's operational activities can remain the same although the formal structure (e.g. name, core values, ownership) has changed, Meyer and Rowan (1977)

called this separation process *decoupling*.

2.1.2 Organizational Issues

Creating a new company in a merger is not an easy task: regardless of how much preparation has been made or how easily things “should” work, based on organizational similarities, the fact remains that each organizational member brings an individual set of understandings and beliefs (Daniel and Metcalf, 2001). In other words, the most important work in a merger starts *after* the deal has been closed. Despite the critical role that employees play in the outcome of a merger, human issues are usually poorly handled by the dealmakers and there is a disregard for the need to make sense of the new conditions - individually and collectively - in dramatic organizational changes such as mergers (Vaara et al., 2003). At some point after the merger, all organizational members need to know what the new company stands for and how it works in order for the company to function (Daniel and Metcalf, 2001; Vaara et al., 2003). During the period of integration it is natural for employees to question their own personal situation: “Will I fit in?” or “Will I like the new company and its management group?” - and the longer the new company remains undefined, the more attractive an alternative employment becomes, as a way for the employee to regain a sense of control over the future (Daniel and Metcalf, 2001). Although there is a need for giving the employees time to get to know each other, a prolonged integration process can cause anxiety and thus having a certain amount of speed in the process is important to minimize employee trauma (Schweiger et al., 1993).

It has long been recognized that organizational mergers have a major psychological impact on the involved employees (van Kippenberg et al., 2002). The employees often feel stressed, insecure and angry following the announcement of a merger (Daniel and Metcalf, 2001; Appelbaum et al., 2000). To minimize employees’ unhappiness, management is responsible for making employees feel that they are contributing to the new organization and that those contributions are important (Appelbaum et al., 2000). Furthermore, employees often operate on no (or insufficient) information about the other party in the merger (Schweiger et al., 1993). According to Daniel and Metcalf (2001), feelings of ambiguity and uncertainty among employees will be present from the moment that rumors of a potential merger arise, until the company regains a sense of stability during the integration stage. The authors also state that these feelings arise due to the fact that in the absence of concrete information it is easy for employees to speculate: which can build up inaccurate and negative beliefs about their counterpart.

According to Schweiger et al. (1993), the main challenge in a merger is to rebuild the

new company as unified. In order to smoothly perform the change process, organizations sometimes organize workshops to create lively structures and more empowering, team-oriented cultures: as status differences are blown away, the employees will be encouraged to take part in decision making about organizational change (Piderit, 2000). Although learning about the new company takes place while working, these workshops can shorten the time of learning and such interaction also helps employees in together making sense of new ways of working (Schweiger et al., 1993). The integration process is a good time to question the usual ways of doing things, since employees are caught between the old and the new ways of doing things and therefore can benefit from taking part of activities such workshops (Daniel and Metcalf, 2001). However, it is important to keep employees informed about what is being done with ideas generated and suggestions made: if there is no feedback employees are likely to feel that their participation is not taken seriously or that their good ideas have been forgotten (Daniel and Metcalf, 2001). According to Appelbaum et al. (2000), providing employees with valid and necessary information reduces stress and increases effectiveness at work. In other words, communication throughout the merger process seems to be essential in order for it to be successful: employees need to receive as much specific and clear information as possible. Changing, and especially unifying, merging companies is an ongoing process and thus not an isolated event (Schweiger et al., 1993: Daniel and Metcalf, 2001, Yu, Engleman and Van de Ven, 2005). In other words, carrying out only one integration effort will not be enough. Instead, integration is something management and divisions strive for continually rather than ever reach. This is an important aspect for us to consider in this case study, since we will only be following the integration process during a limited time.

2.2 Organizational Identity

In the following section we will elaborate on what organizational identity is and what role it plays in mergers. Additionally, since the release of a new company name is a part of merger processes that can affect employees' perceptions about organizational identity (Simoñes, Dibb and Fisk, 2005: Zaheer et al., 2003), we will sum this section up by addressing the topic of new organizational names.

2.2.1 Studies on Organizational Identity

Since it is generally considered important for people to experience some sort of affiliation with the organization they work for (Bang, 1999: Alvesson, 2004), we find that questions of organizational identity can be considered essential for the employees' well-being as well as

their commitment to work. However, although it is generally assumed that identity is constructed through notions of similarities (for example: "we are all IT-consultants/Swedish" etc.), Czarniawska (2008) shows how it is just as important for an organization to define itself by being different – i.e. through *alterity*. While identity signifies being similar, alterity is the process through which identity is developed mainly through being opposite to someone/something else, and thus defining yourself by defining what you are *not*.

The ongoing construction and re-construction of organizational identity takes place in the daily interaction amongst employees (Hatch and Schultz, 1997; Lane and Scott, 2000). Therefore, an organization's identity is more of a fluid social construction than a unanimously agreed entity (Lane and Scott, 2000; Elsbach, 2003). How the organizational members interpret and understand their organization is therefore continuously (re)shaping the organizational identity (Brunninge, 2005). Common understandings and interpretations of the organizational context can be expressed through storytelling (Reissner, 2011), and research by Boje (1991) shows how abbreviated stories based on a shared understanding can be used to exclude outsiders and strengthen the bond between organizational insiders. Furthermore, how an organization's history is interpreted by employees is highly influential to strategic work and, depending on the interpretation, can be used to both hinder and facilitate change processes (Brunninge, 2005). In other words, if organizational members interpret the organization as flexible and prone to adapting to new conditions, it may be easier to implement change than if the organization is viewed as an unchanging entity. Therefore, managers involved in strategic processes can use the social construction of organizational identity in order to facilitate change processes. Research by Brunninge (2005) shows that if managers are able to make change processes within an organization appear continuous, it is probable that change initiatives will be better received by employees.

Lane and Scott (2000) contribute to defining managers' role by stating that managers are more likely to be seen as personalizing the organization's identity due to their higher visibility and degree of interaction, since individual identity and organizational identity is interwoven. Additionally, the authors claim that organizational members who do not identify with their organization will contribute to the collective goals to a lesser extent and instead act out of self-interest. In relation to mergers, a central issue is that mergers may bring about a change of the organizational identity (Haunschild, Moreland and Murrell, 1994; Vaara et al., 2003; Schweiger et al., 1993). When a new company is established it has to have some sense of identity to distinguish itself from competitors (Daniel and Metcalf, 2001). However, a new

identity presents some difficulties: first of all, once the identity is established it becomes hard to change it - after all, why would you want to change something that has been successful – and another difficulty is that the longer an existing identity remains intact, the more fixed it becomes (Daniel and Metcalf, 2001). Moreover, if strategic efforts do not harmonize with how employees understand the organizational identity, it is likely that the employees will demonstrate resistance (Brunninge, 2005). Thus, merging involves a need to construct one's own identity in relation to the other party, to develop images of Us and Them - but on the other hand, building a unified identity in the merger can awaken ideas of a common future.

2.2.2 Organizational Identity in Mergers

Organizational identity is likely to be an issue in almost all mergers: employees are prone to feel some identification with their firm of origin and although the strength of organizational identity will vary across firms, small companies are more likely to have a strong sense of organizational identity (Zaheer, et al., 2003). Schweiger et al. (1993) propose three different terms for identity situations: *assimilation* when one company adopts all of the other company's identity, *novation* when a new identity is developed by choosing the best from each company, and *structural integration* when employees from different divisions seldom have to work with each other and therefore can keep their own identity. In cases where there exists low potential to combine identities, one option is to keep separate identities for the merged companies by providing independence to the divisions and minimal integration (Zaheer et al., 2003).

Van Leuween et al., (2003) add that a merger can weaken the relationship between pre- and post merger identification and that feelings of threat and discrimination may be triggered. Concerning such negative emotions, it appears to be common for employees to use irony in order to handle them and to make them less threatening (Hatch, 1997: Hoyle and Wallace, 2008: Sullivan and McCarthy, 2008). As described above, the complexity and ambiguousness of change processes more often than not causes anxiety for employees, and Hoyle and Wallace (2008) describe how “an ironic disposition denotes the capacity to hold contrary positions simultaneously” (pp. 1431). Put simply, irony allows employees to express ambiguous feelings and thus reduces the stress caused by being in a complex situation. Furthermore, Sullivan and McCarthy (2008) discuss how the contradictory nature of irony allows it to work as a way for employees to alienate themselves from the surrounding organization whilst at the same time strengthening their own identity. The relation between irony and organizational identity is also touched upon by Hatch (1997), in the sense that in

order to understand ironic remarks employees need to share a certain contextual connection, such as for example a common history.

2.2.3 New Company Names

According to Siegenthaler (2011), most of the positive goals envisioned from a merger between two organizations unfortunately fail when they try to integrate into *one* organization. Instead, the author claims that merging companies can reorder themselves by constructing a new vision, new name, new values, and new ways of working. However, although it in most cases may be the best choice of action to create a new organizational identity, the advantages of a new name will have to be traded off against the loss of perhaps decades of constructing corporate reputation and brands (Zaheer et al., 2003). Management of organizational identity involves consistent behavior of a company's mission and the expression of brand and image in organizational symbols and communication (Simoñes et al., 2005). Simoñes et al. (2005) argue that this is typically important in the service area, since a consistent view of a company often relies on employees' actions. Another aspect of a new company name is provided by Daniel and Metcalf (2001), who claim that companies sometimes seem to be too caught up in operational details of the integration, and thus fail to take care of issues such as deciding and announcing a new name for the merged company. Whatever the name might be, the authors argue that it needs to be made official throughout the organization as quickly as possible since a delay in this area is typically a highly symbolic signal to the organizational members that changes are occurring and will therefore hinder them in embracing the new entity. Furthermore, Zaheer et al. (2003) claim that although a new name is not enough to create a sense of a shared identity, in a merger there should be some event to announce the new name in order to help employees move into the future.

2.3 Consultancy Companies

Above, we described consultancy companies as professional service companies in which consultants often carry out their day-to-day-work in customers' locations rather than at their own office (Schilling, 2008). Alvesson (2000) highlights that although questions of identity are of general importance to all firms, in knowledge-intensive firms - such as consultancy companies - these questions are especially important since: "hierarchical and technical means cannot prescribe behavior in detail due to the complexity and organic nature of the work tasks" (pp. 1102). Accordingly, Schilling (2008) argues that how a consultancy company manages organizational identity influences the customer-consultant relationship, and

management must deeply trust the consultants' judgment in handling various customers and projects.

A key issue in the customer-consultant relationship is that the customers must perceive the consultants as credible in order to purchase their services (Andersson, 2001). In the relationship with customers, the consultant's ability to provide helpful advice and guidance is highly dependent on the individual characteristics and experiences that together help form the consultant's expertise (Andersson, 2001; Sköld, 2011). When consultants themselves describe the personal characteristics needed for their profession, research by Meriläinen et.al. (2004) demonstrated that an "ideal consultant" is described as someone with very high levels of commitment towards the company - someone who is willing to put personal and family life aside for the sake of work.

Furthermore, Wallgren (2011) draws on the centrality of consultants' independence, and states that the benefits of work autonomy is what makes consultants work hard, i.e. that there exists reciprocity of mutual benefits between the company and its employees. Because the consultant's work cannot be codified and thus is dependent on individual efforts, independence is necessary for consultants and they are likely to value not being subordinates to a traditional manager. On this note, Schilling (2008) states that since the consultants boast personal expertise, the organizational structure of consultancy companies tends to be rather "flat" – in other words not very hierarchical, since this would make daily work far too inflexible. The question of flexibility is also highlighted by Wallgren (2011), who states that people working in the IT sector - such as the employees we observe in this case study - require a high degree of adaptability since they "live at the edge of change such as new technology and methods" (pp. 92).

Another prominent issue for a knowledge-intensive company is that it often struggles with keeping employees loyal to the organization since the employees – e.g. the consultants – are the company's primary asset, and if the consultants are not satisfied with their employer there is a salient risk that they will flee the company – and take customers with them (Alvesson, 2000; Schilling 2008). For a large company, identification with the whole organization is difficult (and not necessarily relevant) – instead, it can be more useful for managers to promote identification with a subunit such as a department or work group (Alvesson, 2000). On managers' role in the organization, Alvesson (1992) claims that in loosely coupled organizations (such as consultancy companies) there is a need for a different type of leadership than has traditionally been focused on, namely having the leader act as a

social integrator. This means that instead of seeing culture as something leaders can “manage”, leaders are seen as agents and reproducers of corporate culture. In other words: leaders influence organizational identity and in turn organizational identity influences leaders.

2.4 Summary

As we proceed to look at an integration process in a consultancy company from an organizational identity perspective, the reviewed literature has provided us with some key points to keep in mind.

- Mergers have a psychological impact on the people involved. In order to reduce the worry and stress that employees normally experience during the process, good communication and information is key.
- Not all divisions will experience the same level of change, and it is not necessary for change to be homogenous across the organization. Furthermore, it is not always required to integrate the merged companies’ organizational identities into one, and when there may be low potential to combine the different identities there is an option to keep separate identities.
- Organizational identity is constantly (re)shaped by the employees, and management plays a key role in development and maintenance of an organizational identity in mergers. Thus, this case study will not focus on whether a “new” organizational identity has managed to replace the “old” or not, but rather on how employees perceive the merger process and the ongoing identity work, and how they interpret (i.e. talk about) themselves and the organization.
- Identification with the organization is especially essential for consultancy companies, since a consultancy company is particular in its reliance on the consultants’ internalized knowledge and that the company’s survival therefore is highly dependent on the consultants’ loyalty. Furthermore, the complex nature of consultants’ work tasks implies that autonomy is essential in order for consultants to be effective, and also in terms of job motivation.

3. Methodology

During the fall of 2011, we became aware of the fact that BTDB ReroGroup BETAteam was planning to reveal the new company name and therefore contacted the Gothenburg office in order to establish contact with a case company for our thesis. When we started our research process, nearly two years had passed since the Gothenburg office was informed about the merger between BTDB and ReroGroup, and the employees knew nothing about the new company’s name aside from the fact that it would be released during a ceremony in Oslo on March 17th. We centered our study on the time around the Oslo ceremony, seeing as it

provided a concrete anchoring point for the organization's identity work, and also functioned as a reference point for our interviews.

3.1 Beginnings

After establishing the initial contact with the company, we met a manager from the Gothenburg office and through discussion developed the main purpose of our field study: how the integration process is perceived by the local employees. Thereafter, we started our search for previous research that could be useful for our study. Concurrently, we started to gather primary data about FindIT, the change from FindIT to BTDB as well as the ongoing organizational changes. We gathered research material through interviews and observations.

3.1.1 Interviews

We decided to carry out qualitative interviews with employees at the Gothenburg office since a qualitative research method is preferable when aiming to gain profound knowledge of employees' perceptions (Silverman, 2006; Yin, 2009). Therefore, interviews with the Gothenburg employees would enable us to acquire a deeper and fuller understanding of the current situation. We conducted a total of twenty-two interviews, thirteen before the Oslo event and nine after, and all interviews were recorded. All interviews were made in Swedish and thereafter translated to English by us, and the average duration for each interview was between 25-40 minutes for the interviews before Oslo and around 10-15 minutes for the ones performed after Oslo. Although the aim was to perform the interviews face-to-face, many of the interviewees work at customers' locations and thus nine of the interviews were made by telephone and thirteen in person. During the face-to-face interviews, we sat in the interviewee's office or in a conference room. The telephone interviews were performed via Skype, software that allows phone calls via the Internet, and in these cases only one person performed the interviews while the other listened.

With the intent of getting a sufficient spread on the employees' perceptions, we collected a range of interviewees as wide as possible, consisting of both managers and consultants. A table over the interviewees' position and years of employment can be found in Appendix 1. The manager who was our initial contact person provided a few persons with key positions in the merger process for our interview list, and the others we sought out by ourselves during our visits to the office. Finally, we had a list of fifteen people, who we then contacted. Two of the people we contacted claimed that their opinions would be "too critical", and therefore declined to participate in an interview. After having interviewed over ten

employees, we experienced a saturation regarding the obtained information and therefore did not seek out more interviewees. We aimed to perform two interviews with each interviewee, one before and one after the new name was revealed in Oslo. However, in the second round of interviews four of the interviewees were not able to participate due to unavailability. The first round of interviews was carried out during February, and the second round during April. In the findings and analysis section, interviewee quotes from the second round of interviews carry the addition “after Oslo”. Interviews can be more or less structured, ranging from a fixed questionnaire to open conversations (Jacobsen, 2002: Kvale and Brinkman, 2009). Although we did use a template of questions for each interview (Appendix 2 and 3), with questions like “Have the organizational changes affected your job?”, we also chose to allow ourselves to freely follow the interviewees’ impromptu trail of thoughts. Thus, the structured template functioned as a foundation for unstructured conversation. This type of interview qualifies as a semi-structured approach, which enables an understanding of the respondent's perception of a situation (Jacobsen, 2002: Kvale and Brinkman, 2009).

3.1.2 Observations

Some of the writing process has been carried out at the Gothenburg office. This enabled us to gain further insight into the everyday work life of the organization. In the office, there are small meeting rooms and also a “lounge” with sofas and coffee tables adjacent to the lunch room, where we would place ourselves whilst waiting for an interviewee and/or to discuss our observations. In our opinion, being in the same physical space as the employees enabled us to get a better general sense of the cultural climate in the office through observing what was expressed through behavior and conversations. While sitting in the lounge area, employees were constantly in our presence, talking to each other as well as to us or passing by on their way to meetings. We found that it was easy to strike up informal conversations with employees by the coffee machine or at lunch time. Most of the employees that we talked to knew that we were writing a thesis about the organizational changes, and were curious to know what we had come up with. This gave us a natural “in” to casually ask what they themselves thought about the change process, and as the employees seemed less self-conscious than during an interview, we got some spontaneous information during these informal encounters. In order to preserve our impressions of these conversations, we carried notepads with us and jotted down all observations as quickly as possible. Furthermore, we also observed a workshop that was part of the BTDB to NewCo merger process. The workshop is described in further detail in the empirical material.

3.2 Analyzing the Collected Material

To conduct an analysis the material collected must be organized (Descombe, 2009). After having talked to all the interviewees on our list, we transcribed the interviews and thereafter printed them. Printed transcripts allow a better overview of the material and thus simplify the analysis (Kvale, 1997; Descombe, 2009). Subsequently, we read through all the material from both interviews and observations, discussing what the employees' different opinions and stories were expressing. During this process, we noticed the emergence of several common themes that the interviews seemed to be centered around. We named these themes e.g. Professionalism, Organizational Independence, Rehearsed Vocabulary, and divided them into two main sections: Identity and Identity Work. Thereafter, we went through the transcribed interviews once again, this time finding extracts that appeared to be linked to each other, and mapped out central themes and how they connected to our frame of reference.

3.3 Generalization and Reliability

The concept of generalizations encompasses the question of whether it is possible to use the result of one research situation as a conclusion to other situations (Kvale 1997). Silverman (2001) argues that a qualitative research aims to familiarize oneself with a specific setting or area rather than obtaining a generalizing result. Therefore, we have chosen to do this case study since it provided a possibility for us to take a closer look at a specific change processes rather than making a broader study of organizational change on a more general level. As we only examined one company and one office, we do not think our results can be generalized to suit all existing companies. However, we still believe that some generally useful conclusions can be drawn, especially regarding integration processes in consultancy companies.

Regarding case studies, some argue that this type of research allows for the researcher to be completely neutral and thus refrain from interfering with the object being studied (Yin, 2009). However, we prefer the view of the researcher's role as presented by Czarniawska (1997), which acknowledges that there is a certain "taken-for-grantedness" (p. 60) in how the researcher interprets construction of meaning in his or her surroundings. This view also highlights the importance of maintaining self-reflection in order to avoid jumping to conclusions based on one's own preconceptions. Furthermore, when two of the people on our interviewee list did not want to participate due to the negative nature of their opinions, we realized that it would be hard to reach the organization's truly critical voices. Although we recognize the difficulties in uncovering the employees' criticisms, we have done our very best to bring forth both the positive and negative opinions of the employees and have tried to use

our observations in the office as a way to access the company's more critical voices.

Since it is important to ensure the results' reliability (Jacobsen, 2002), there are some elements we have taken into account to make our material as trustworthy as possible. Firstly, when asking about what can be considered as sensitive issues (e.g. mergers and organizational identity), the interviewees may have motives to give us a distorted picture of the reality (Jacobsen, 2002). To minimize this risk, we have clearly presented what purpose our study has and what the outcome will be used for both to the interviewees and during our observations in the office and at the workshop. Furthermore, we informed all interviewees that they would remain anonymous and that their answers would be de-identified.

Secondly, since we recorded all interviews we had the opportunity to go back and listen to the interview again, in order to further ascertain what was being said. Since researchers often interpret interviews alone, there is great risk of subjective influences on the results (Kvale, 1997). However, both of us have listened to the recordings, transcribed and interpreted the interviews and discussed the material together in order to obtain a more objective view of the interpretation. Thus, we have made efforts to be self-reflecting throughout the process and to analyze the collected material from different angles. Nonetheless, the fact remains that this case study will inevitably be tainted by our individual backgrounds and personalities.

4. Field Study: The Organization

In this section we provide background information about the Gothenburg office, which – before being acquired by BTDB and later becoming NewCo – was an IT-consultancy company named FindIT. Thus, below we present the organizational history of the Gothenburg office from FindIT, through BTDB, to NewCo.

4.1 FindIT

FindIT was founded as an IT-consultancy company in 1988, and established offices in both Gothenburg and Stockholm. FindIT started out with approximately 30 employees, and in the following decades the company expanded. In 2009, FindIT had revenues of 42 million SEK and consisted of around 600 employees. Before BTDB came into the picture, FindIT was owned by a venture capital firm, who had bought the company in 2001. FindIT was a Swedish leading supplier of IT consulting and applications services for a number of, mainly Swedish, major companies. According to several employees, the company culture was manifested through the core values *confidence*, *joy*, *care* and *dynamics*. Furthermore, we were told that all employees

worked together to produce these core values, and they were painted on the walls in the Gothenburg office. The offices in Gothenburg and Stockholm operated as separate companies and reported to the parent company which owned them both. The parent company in turn reported to its owner, which was the venture capital firm until 2006 and thereafter BTDB. The organizational structure is illustrated Figure 1 (Appendix 4).

4.2 From FindIT to BTDB

Whereas FindIT first was and foremost a service company, BTDB (which bought FindIT in 2006) had its origins in the technical side of the IT-business. BTDB began its journey in Norway in 1961, providing data centers for companies, and since then, many other IT-related businesses have been built into BTDB. During 2004 to 2008, BTDB carried out almost 20 acquisitions in order to strengthen the company's market position. Although some of these companies initially continued to operate as separate subsidiaries, in 2010 all of them were incorporated under the BTDB name. In 2011, BTDB was a large company within the Nordic IT business sector and had almost 6 000 employees and revenues of 783 million NOK. Since BTDB's core business concerned things like operating machines in data centers, the company wanted to broaden its range of activities and decided to acquire consultancy competence. In this way, FindIT could be complementary to BTDB by providing them with this specific competence and was therefore acquired in 2006. BTDB let FindIT keep both its name and original structure. Thus, FindIT in Gothenburg and Stockholm were still separate companies, reporting to their CEO as usual, and the FindIT CEO in his turn reported to BTDB headquarters in Norway.

Since FindIT kept its original structure, it was possible for the FindIT parent company to filter a lot of the information that BTDB sent out, i.e. choose what was to be passed on. This filtering, as stated by one manager, was due to the fact that FindIT's CEO functioned like an umbrella, protecting FindIT's employees from BTDB's information so that only a selected amount of messages got through. One example of this filtering process was that BTDB's HR department sent out a lot of information about employee policies which FindIT's CEO deemed unnecessary and therefore blocked from getting to the FindIT employees. This way, the information from BTDB's HR department did not reach - and presumably confuse or distract - FindIT's employees. FindIT's CEO worked hard to make sure that all information passed by him first, so that he could control what was being sent to the FindIT employees. In June 2010, BTDB incorporated FindIT under the BTDB name, and the offices in Gothenburg and Stockholm thus constituted BTDB's Swedish division (illustrated by Figure 2, Appendix

5).

4.3 From BTDB to NewCo

In the month following the FindIT to BTDB transition, in July 2010, BTDB announced that they would merge with ReroGroup, and thus also its subdivision BETAtteam. Consequently, from January 1st 2011, the new company was called BTDB ReroGroup BETAtteam, and the Gothenburg office once again got a new CEO for the Swedish division, a BETAtteam employee. Thereafter, top management of BTDB, ReroGroup and BETAtteam started a process that would merge all the different companies into one company with a new name and a new brand. According to one manager from the Gothenburg office, producing core values for the new company was a top-down procedure, but still less so than the previous FindIT to BTDB procedure since some managers from the different divisions were now allowed to participate in the process. The procedure of developing the new company's identity started with the board of directors deciding on suggestions for core values, mission and vision. Thereafter, the results were shared with the top managers, who suggested some changes. After this second processing, they were passed down by top management to middle level managers and thereafter passed on to all employees during the spring of 2012. The new company was called NewCo, and the name was kept a secret until a big release ceremony in Oslo on March 17th, 2012. We identified two important merger processes: one was a series of workshops held in the Gothenburg office and the other one was the name ceremony in Oslo.

4.3.1 The Workshop

Seeing that one of the biggest challenges in a merger is to rebuild the new company as unified (Schweiger et al., 1993), NewCo had considerable amount of work to do in the merger, since BTDB and ReroGroup were companies built by on different cultures and histories. Workshops can be used as a tool in the process of unification (Schweiger et al., 1993; Piderit, 2000), and NewCo's management launched the substantial workshop campaign "Culture & Change" to facilitate the integration process by communicating NewCo's core values to the employees. NewCo's management used the workshop approach in an attempt to get all employees on board with the new company. The workshops were rolled out throughout the organization, to over ten thousand employees, during a couple of months before the NewCo release meeting in March 2012. We observed one of the Culture & Change workshops in the Gothenburg office. Each workshop lasted for about two hours and had approximately twenty participants that were divided into groups of four or five people. All workshop leaders had a template for how

to organize it, but according to the manager responsible for the workshops performed in Gothenburg, there was still space for “personal adaptation”. Participation in the workshop was voluntary. During the workshop, the workshop leader presented NewCo’s core values one by one, and the participants were asked to discuss each value and what it entails for their day-to-day work. In the end, all participants were asked to come up with one concrete action of personal improvement that related to the NewCo core values.

4.3.2 The Oslo Ceremony

During the spring of 2012, NewCo had at several occasions sent e-mails to all employees in order to build up interest and excitement before the ceremony in Oslo. The e-mails contained video clips that were both “challenges” (the offices could participate in a dance competition and send in footage of the employees performing a “NewCo dance”) and trailers that dramatically counted down to the big event. Early in the morning on Saturday, March 17th, employees from the Gothenburg office gathered and began their journey to Oslo in two large buses. At their arrival they met with the rest of the Swedish division (i.e. both BETAteam and BTDB colleagues from Sweden and Finland) and were given a presentation by the division’s management. The presentation was co-hosted by two Swedish celebrities, which according to the interviewees helped make the presentation less formal. The presentation contained information about NewCo’s management, the organization’s present situation and future challenges. After the presentation there was a break for a few hours before the employees from all divisions were gathered in a large arena. There were about 6000 employees present, and people could follow what happened on stage through the many TV screens placed around the arena. The evening started with performances by famous Norwegian artists, a speech from NewCo’s CEO, and finally a video with a countdown leading up to the revealing of the name NewCo. After the new name had been presented, one famous artist after another performed on stage. On Monday, when the Gothenburg employees returned to the office, the FindIT sign had been replaced by a NewCo sign. Additionally, NewCo launched extensive advertising campaigns in the main newspapers and the Gothenburg office arranged various marketing activities directed towards its customers.

5. Findings and Analysis

As described in the Methodology section above, in analyzing the material we noticed the presence of several common themes. These themes are presented below in two main sections: Identity and Identity Work.

5.1 Identity

After the first round of interviews, we had become aware of the strong local identity in the Gothenburg office. To further clarify this organizational identity we identified a few central identity themes and named them the FindIT Spirit, Local Management, Professionalism, Organizational Independence and the Prolonged Merger Process.

5.1.1 The FindIT Spirit

First of all, one of the key things we noted in performing the interviews was that when asked to describe the organizational changes in the company, the interviewees in almost every case started to tell us about the change from FindIT to BTDB in 2010. It seems as though that change was the most dramatic one in the organizational history, at least for the people present at the time. Many interviewees describe how the "FindIT spirit" still permeates the Gothenburg office, and it seems as if the Gothenburg employees have not yet let go of it:

Even when they changed our name [to BTDB] we still kept our FindIT spirit. We all still feel like we're working for a small company mentally. (Senior Consultant)

The Gothenburg office has, until [the NewCo] merger, remained to be 'former FindIT'. (Manager)

We gather that there seems to exist a common understanding that most employees still – mentally - work for FindIT. This perception is noticeable in both consultants and managers, and since managers' interpretation of an organizations history affects how the employees perceive change (Brunninge, 2005) it is not very surprising that the "old" FindIT spirit persists since almost everybody in the Gothenburg office's management team has worked there for over 10 years. When asked to describe what characterizes working for the Gothenburg office, most interviewees made references to the FindIT spirit, and the few who did not still used the same vocabulary to describe the Gothenburg office's identity. The most frequently used expressions were "humanistic culture" and "humble", and the Gothenburg office was also described as a flat and open organization that lacks "traditional organizational hierarchy". Furthermore, the interviewees proudly talk about FindIT as a well-known brand, as the following quote shows:

When I call customers and say that I'm from BTDB I kind of hear a question mark on their end, so I have to say 'you know, former FindIT' to make them understand. (Senior Manager)

Although most of the interviewees seemed to accept the transfer from FindIT to BTDB at the

time, it was somewhat distressing for them when the announcement of the merger between BTDB and ReroGroup came just a few weeks after the name change. The interviewees describe how the change efforts from both BTDB and their own office stopped. With a proud tone, they also talk about how the FindIT sign outside the office stayed up (until the launch of NewCo's name) and how FindIT's core values on the office wall were not painted over until the summer of 2011. Thus, although the merger announcement noticeably caused stress and anxiety for the employees – which is consistent with literature's claim that feelings of stress, insecurity and anger following the announcement of a merger as a common phenomena amongst employees (Daniel and Metcalf, 2001; Appelbaum, Gandell, Shapiro, Belisle and Hoeven, 2000) - the employees seem to have developed certain detachment from the organizational changes. We interpret this detachment to be partly a consequence of their identity as professionals (further described below under Professionalism), and partly a result of the prolonged merger process that kept the Gothenburg employees in organizational limbo, caught between the old (FindIT/BTDB) and the new (NewCo), for a long time.

Paradoxically, the period of being an undefined company also seems to have contributed to the creation of a strong, local collective identity centered on the Gothenburg office. As Zaheer et al. (2003) claim, smaller companies can have much stronger organizational identity than larger ones, and the Gothenburg office seems to be a demonstration of this phenomenon. Zaheer et al. (2003) also state that employees are prone to feel some identification with their firm of origin in a merger, which is coherent with the case of the Gothenburg office: the interviewees pointed out that since there are so many Gothenburg employees they will manage to keep their local identity even though they now belong to a bigger company where their history is not taken into account, since they will have the same colleagues, managers and customers as before. One interviewee reflected on this:

For us in Gothenburg it's just a new name. It doesn't matter that we're now included in a bigger company that doesn't really listen to our history and our culture. We will keep our local unit anyway. (Senior Consultant)

In other words, the interviewees primarily identify with the Gothenburg office, regardless of what the company they work for is called. However, the frequently used denomination "Gothenburg" is also a name, and it seems as though the employees have adopted this name for their organizational identity rather than the official company name. Since it is highly unlikely that the city of Gothenburg will be renamed, another reason for adopting this name could also be that it is more long-lasting than any company name could ever be.

5.1.2 Local Management

Several of the interviewees brought up the issue about not getting enough information from their managers during the merger process, which could prove to have a negative effect since providing the employees with valid and necessary information is essential for reducing stress and increasing effectiveness at work (Appelbaum et al., 2000). However, although the interviewees generally expressed not getting sufficient information, they also pointed out how this partly is related to their way of working - i.e. that consultants work at customers' locations - which obstructs the information flow. In other words, keeping employees well-informed seems to be especially hard in a consultancy company, since many employees work out of office. The interviewees also acknowledged that consultancy work's nature makes it difficult to access information that is informally shared in the office, as illustrated by the quote below.

If I'm at a customer's it's hard to know what's happening. It's very difficult to stay updated, especially when I don't hear what happens in the hallway. (Consultant)

As literature suggests, employees in a merger often operate on no or very little information about the other parties that they merge with (Schweiger et al., 1993), and the NewCo merger is no exception: the interviewees do not seem to have much background information about the other divisions in the new company. This lack of information could also be a reason why the local identity is the interviewees' main focus. As Daniel and Metcalf (2001) pointed out, insufficient information leads to speculations, which in turn often results in negative beliefs about the employees' counterpart. This tendency is clear amongst the interviewees, when they talk about the other parties in the merger there are many rumors circulating in the office. For example, the interviewees discussed what they believe to be BETAteam's culture of tight control, and ReroGroup's heavy business in the bank sector which the interviewees' fear could affect their way of working, since the bank sector has a reputation of being a rather stiff business with hierarchical organizational structures. In other words, if local management had made efforts to keep the employees updated and informed about the organizational changes to a higher extent, it is likely that the amount of negative rumours and speculations about the surrounding organization would have diminished.

Furthermore, the interviewees are proud to have managed to keep their local identity even though FindIT officially disappeared, and express gratitude towards the local top management for protecting their interests in discussions and negotiations with other departments. Daniel and Metcalf (2001) suggest that the longer an organizational identity is

left intact, the harder it is to change, and this does indeed seem to be the case with the Gothenburg office, as illustrated by the quote below.

It's always been the same office on the same address: we're born here, raised here and we'll be here 'til we die. The word 'insular' may be exaggerated, but there are such tendencies. (Senior Manager)

Furthermore, several interviewees state that since they have the same customers, the same managers and the same colleagues – there has not been any real changes. One interviewee reflected on this:

Many people have been here a long time, and I guess it's because they like it here and want to continue working like they always have. (Consultant)

In other words, the Gothenburg office undoubtedly has a successful history, both in terms of financial results and employee satisfaction. Thus, there is little internal urgency for change. One could even argue that if the merger was to bring about more significant changes to the Gothenburg office's way of working, it could result in people seeking employment elsewhere. On the other hand, keeping everything the same way for years is not entirely positive. Some interviewees commented on the problems following the fact that local management has consisted of the same group of people for many years.

We're pretty unique in having such a low staff turnover among managers. They used to advertise for management positions at least internally, but now they just appoint sellers as managers and that's not very democratic. (Senior Consultant)

[Consultants] are constantly working with new organizations, learning new things – but in our office you see the same managers that have been there for decades and who still refer to us as 'FindIT'. It's annoying. (Consultant)

In other words, being “insular” has its price. The possibly negative consequences of having a strongly protected local identity will be further addressed in our discussion.

5.1.3 Professionalism

Alongside the Gothenburg identity, the interviewees strongly identify with a view of themselves as professionals. This view is consistent with what Meriläinen et al. (2004) call the “ideal consultant”, i.e. someone who shows high levels of commitment toward the company. Included in the view of their selves as professionals is the understanding for the necessity of organizational change, and other essential parts of this identity are flexibility and ability to adapt quickly. In addition, the place where the daily work is carried out appears to affect interviewees' detachment from change processes: interviewees who mainly work at

customers' locations expressed considerably less emotion about the changes than the interviewees who spend most of their time working in the office, as illustrated below:

When I was in the office I enjoyed the company's atmosphere. Now when I'm at a customer's [the company] is just where I get my paycheck from. (Consultant)

When I'm at a customer's location Monday to Friday for half a year I don't have much contact with my company, but I do believe it's important to be a part of [an organization]. Really important. (Senior Consultant)

Another aspect that is significant for consultancy companies is that the organizational structure tends to be flat and not traditionally hierarchical (Schilling, 2008), which is coherent with how the interviewees describe the atmosphere in the Gothenburg office. The interviewees talk about how the managers sit on the same floor as the consultants, and how anyone can pop by their offices and talk to them. Since independence is generally central for consultants and that the benefits of work autonomy is what makes them work hard (Wallgren, 2011), a more centrally controlled organization would thus be a threat to the consultants' identity as professionals. Accordingly, work autonomy is essential for the interviewees: both managers and consultants describe how personal freedom and independent work is crucial for their operational activities, and it seems to be an important benefit that they would not trade off easily. Furthermore, both interviewees and literature (Schweiger et al., 1993; Daniel and Metcalf, 2001, Yu et al., 2005) acknowledge that the integration process takes a lot of time, as all major changes do.

Since most work that the Gothenburg employees perform for customers consist of change projects, they are used to this type of process and are very much aware of the inherent challenges involved in organizational change. The "been there, done that" attitude was also a prominent feature in the interviewees' answers to what they thought of the NewCo workshop. Nearly all of the interviewees had participated in similar workshops before, and saw it as something that just had to be done (although several interviewees also pointed out that this specific one was better than most of the other workshops that they had experienced). Our view is that this is connected to the employees' identity as professionals, since their own work involves executing – and participating in – similar events at customers' locations. Furthermore, we believe that the interviewees' professional identity is also connected to the absence of explicit resistance towards the integration process, since resisting change would be contradictory to the idea of consultants' fundamental adaptability.

As literature suggests, it is important to keep employees informed about what is being done with generated ideas and suggestions made during a workshop, because without any

feedback employees are likely to feel that their participation is not taken seriously or that their good ideas have been forgotten (Daniel and Metcalf, 2001). Accordingly, a frequently occurring concern from the interviewees was to what extent their participation in the workshop would have an impact on the new company. Overall, the interviewees' perception is that their contributions in the workshops were poorly handled and not taken care of by NewCo, and they express disappointment over how NewCo threw away their ideas. Consistently, the interviewees claim that they did not get much out of participating in the workshop activity, as illustrated by the following quotes:

I don't believe I will use [the results from the workshop] in my daily work, but if they hadn't had the workshop, if we hadn't been involved, I would have reacted. (Senior Consultant)

Honestly I didn't get anything out from participating, but the whole point with these things is to subconsciously prepare yourself for change. These meetings, where you discuss stuff, helps you prepare for change. (Senior Manager)

The above quotes illustrate how although the interviewees seem rather disillusioned about the workshop process, they also believe it is a necessary step in order to prepare for change and get a feeling of participation. This is consistent with the findings presented by Schweiger et al. (1993), that one important function of workshops is to teach employees about the new organization, and to make participants reflect and discuss new ways of working. However, we also find that the interviewees' view of themselves as professionals – competent people working in a flat organization – contribute to their expectations of being involved in the company's change processes.

5.1.4 Organizational Independence

Another central theme for the Gothenburg identity is organizational independence. We suggest that this theme is connected to the employees' identification with professionalism, since the ideas about organizational independence consist of shared beliefs about the employees' competence and profound market knowledge, and a strong sense of having the right to be autonomous due to the good financial results. The interviewees' main concern is the risk of losing the Gothenburg office's autonomy. They fear that NewCo's top management will take over too much and that the decision-making in the company will become increasingly centralized, forcing the Gothenburg office to start taking directions from NewCo. However, alongside these concerns the interviewees demonstrate a certain amount of self-confidence regarding their own performance. Since consultants' expertise is internalized and highly individual (Andersson, 2001; Sköld, 2011), the interviewees do not see any reason why

NewCo would change their way of working as long as the Gothenburg office continues to perform well.

I'm not too concerned about the changes - if we focus on getting good results then we can get some leverage and keep our independence. (Senior Consultant)

They won't touch us as long as we show good profitability and have happy customers, because then there is no need for changing. (Manager)

As seen in the quotes above, the profitability argument is often used to mark the Gothenburg office's position in the organization. It is used in comparison with the Stockholm office as well as BTDB and ReroGroup, which interviewees' commented on as having made several unsuccessful business decisions in the past. Connected to these beliefs about the Gothenburg office's ability to remain "untouched" by the merger is a strong feeling that this is the way it should be in order to keep the good results. As mentioned in the frame of reference: a complete integration is not always necessary in order to be successful – in fact, when employees from different divisions seldom have to work with each other it could prove beneficial to let them keep their own identity (Schweiger et al., 1993). Separate identities may also be the best option in cases where there exists low potential to combine identities (Zaheer et al., 2003), since rolling out a new organizational identity that conflicts with the employees' existing perceptions will undoubtedly cause resistance (Brunninge, 2005). The question then becomes whether or not NewCo should make efforts to integrate the Gothenburg office into the rest of the organization, and this will be analyzed further in the discussion.

Regarding the integration process, the interviewees also express concerns for the difficulties in integrating all the existing cultures, identities and different divisions into one company. Difficulties mentioned are for example cultural clashes between Norway and Sweden, and the differences between the consultancy division and the operational division. Once again we find that these concerns reflect the interviewees' fear of losing their autonomy and independent way of working.

5.1.5 The Prolonged Merger Process

Almost all interviewees commented on the need for acknowledging that mergers and change processes are hard. Perhaps this understanding approach is brought out further by the extended period the interviewees themselves have spent in the midst of change, and the reassurance in knowing that the organization relies on having happy employees. As Alvesson, (2000) and Schilling (2008) pointed out, if consultants are not satisfied with their employer there is a salient risk that they will flee the company along with the customers - and the

interviewees all seem well aware of the fact that the people are the company's primary asset.

As one interviewee put it:

This is such a volatile organization: if consultants start to leave then suddenly half of our value is gone. We rely on our people and there's no chance we can deliver without them.
(Senior Manager)

Furthermore, the interviewees claimed that having a temporary, complicated name for the almost two-year period between the merger announcement and the presentation of the new company's name made the company appear confused and almost unprofessional towards customers. Thus, the interviewees unanimously stated that they understand the importance of all the different affiliated companies of BTDB and ReroGroup having a common name. Consistent behavior of a company's expression of brand in organizational symbols and communication is also something that literature brings up as significant especially in the service area (Simoñes et al., 2005). In the case of consultancy companies, having a positively perceived brand is particularly important since a key issue in the customer-consultant relationship is that the customers must perceive the consultants as credible in order to purchase their services (Andersson, 2001).

Before, the name was a bit messy, but now it'll feel more professional when customers know our real name, what we stand for and what we do. (Consultant)

Doing things halfway doesn't send out good signals. (Senior Manager)

The interviewees' opinions, as illustrated by the above quotes, correspond with the findings from previous research that emphasized the importance of presenting a new name, and how all organizational members need to know what the new company stands for and how it works in order for the company to function (Daniel and Metcalf, 2001; Vaara et al., 2003). However, although on the one hand interviewees express how getting a proper name will improve their image towards customers, they simultaneously claim that the company's name is irrelevant since the employees' actions speak for themselves - as mentioned above. Our view is that the two years with a "messy" name may have facilitated the establishment of NewCo, since most employees seem to appreciate finally knowing what their company is called. Additionally, the extensive marketing campaign performed by NewCo after the name ceremony was also positively received by the employees, since they regard this behavior as more professional than the mediocre BTDB transformation, as demonstrated by the following quotes.

It's a big difference this time, [NewCo] are taking this change seriously and they are

being very professional about it. (Senior Consultant, after Oslo)

Unlike last time, the name change was thoroughly planned and executed. (Senior Manager, after Oslo)

The previous research on mergers showed that mergers generally have a large psychological effect on employees (Van Kippenberg et al., 2002), and that it is vital not to let the merger process drag out too long since an extended period of instability is said to increase employee anxiety and inefficiency (Schweiger et al., 1993; Daniel and Metcalf, 2001; Vaara et al., 2003). Nonetheless, the interviewees express surprisingly low levels of concern, even though they have been in the midst of unstable organizational change for almost two years. Our view on this, further elaborated in the discussion below, is that the turmoil of the change process probably has been dampened by both the strong local identity as well as the professional identity.

We're doing this change now and to be blunt: either you like working in a place like this or you don't. The change process continues regardless of what you think about it. (Manager)

I think the change is exciting: otherwise I wouldn't be able to work in this industry. The IT line of business is always changing. (Consultant)

As illustrated by the above quotes, the interviewees' view of their profession and line of business is consistent with the point made in Wallgren's (2011) research, that workers in the IT business are constantly exposed to changing surroundings.

5.2 Identity Work

After investigating how the Gothenburg office's identity is talked about and manifests itself, as presented above, we made an effort to understand what processes are put in place for the construction of this identity, and how they relate to our findings. We will now introduce the processes we identified as central factors in shaping the Gothenburg office's organizational identity. We named these processes Rehearsed Vocabulary, Irony and Identity through Alterity.

5.2.1 Rehearsed Vocabulary

The more employees we talked to, in interviews as well as around the office, the more we realized that the Gothenburg employees have a common language through which they interpret both their local identity and their organizational history. Since storytelling is an identity shaping process (Boje, 1991; Reissner, 2011), we believe this to be an important aspect of the Gothenburg identity. Below we have compiled the words and expressions that are continuously used, i.e. common phrases in the Gothenburg employees' language:

- *The air went out.*² Amongst the interviewees, the phrase “the air went out [of the change process]” is commonly used to describe how the FindIT to BTDB transition process came to a halt after the NewCo merger announcement.
- *Humanistic culture.* The most common way for the employees to describe the Gothenburg office’s identity is that it has a “humanistic culture”. This refers to how the employees’ well-being is seen as essential in order for the organization to function.
- *The FindIT spirit.* This concept is used to describe the Gothenburg office’s allegedly unique approach to business, which was developed and established during the FindIT period.
- *Humble.* The humbleness of the Gothenburg employees is continuously emphasized. Even the charismatic, confident manager in a top position that we interviewed would not acknowledge his own ability. Instead, he leaned back in his chair and smilingly claimed that “NewCo didn’t choose me [as a leader] because I’m such a good boss, it’s all political.”
- *Gothenburg does better [financially] than Stockholm.* This phrase is normally pronounced when the employees wish to explain the Gothenburg office’s uniqueness.
- *As long as we generate good results they can’t touch us.* “They” in this phrase can signify both BTDB, when talking about how FindIT was acquired by BTDB, and NewCo, when talking about the ongoing integration process.

The fact that the Gothenburg employees have a set of expressions and words that they use can be seen as a demonstration of the abbreviated stories that Boje (1991) calls *terse storytelling*: “an abbreviated and succinct simplification of the story in which parts of the plot, some of the characters, and segments of the sequence of events are left to the hearer’s imagination” (pp. 115). The core of this type of storytelling lies within what is *not* being said, in the sense that the insiders share a common understanding of the parts of the stories that are left out. Another aspect that strengthens the sense of insiders’ togetherness is that these abbreviated stories cannot easily be understood by outsiders. To exemplify: expressions such as “FindIT spirit” or “the air went out” does not mean much to organizational outsiders, but for the Gothenburg employees these phrases express their common understanding of a shared experience. Thereby, the continuous practicing and rehearsing of the Gothenburg language is a process that functions as a reinforcing mechanism in the maintenance of the strong local identity.

When the Gothenburg employees need to make sense of something, they use the

² Translation of the Swedish expression ”luften gick ur” (a literary equivalent in English is “deflation”). This expression is normally used to describe a loss of energy and/or engagement.

common language like a tool box: they have a set of words and expressions that everybody understands, and can pick up whichever tool is needed in order to make sense of the situation (as seen above in the examples of common phrases). This process is most obvious when the employees talk about the FindIT to BTDB transfer, and our view is that this is due to the fact that they have had two years to rehearse their story until almost everybody tells it in the same way. This is consistent with Reissner's (2011) findings that as time passes from the initial organizational change efforts, employees' stories become increasingly stable and narrow. Interestingly enough, in the second round of interviews when we asked the interviewees to describe the name ceremony in Oslo on March 17th, we found that this story was also told in a rather similar way. The interviewees unanimously described how impressed they were by the whole event and how the arena's size and many celebrities was a demonstration of how NewCo had spent a lot of money on making this day something to remember. The Oslo story continues to be consistent as the interviewees describe their initial hesitation before the name when it was first revealed, how there was a lot of discussions around the office the following week, and finally how they have gotten increasingly used to NewCo mainly through the extensive marketing campaign. Many interviewees also said that they think NewCo's logotype is "fresh", and perhaps this word will eventually be added to the office's vocabulary.

5.2.2 Irony

In interviews as well as the observations made in the office, we noticed a prominent attitude of irony towards both the past and ongoing organizational change. As mentioned before, irony can be used as a tool for managing negative emotions (Hatch, 1997; Hoyle and Wallace, 2008; Sullivan and McCarthy 2008). Accordingly, we interpret the employees' ironic comments about for example the failed FindIT to BTDB transition as a way for them to handle the anxiety this period of organizational turmoil caused them. Another manifestation of the ironic jargon is how some interviewees talked about the NewCo workshop, exemplified by the quotes below.

I usually oppose everything similar to the Nuremberg rallies³. (Senior Consultant)

I've done this many times before in other companies, it's mostly just the same fashion words and clichés. (Consultant)

Hatch (1997) describes how organizational irony relates to stress-inducing situations: instead of succumbing to negative emotions that may be strong enough to result in total denial of the

³ The Nuremberg rallies were propaganda events held by the Nazi Party in Germany during the 1920- and 30's. FEA418, Master Thesis, Spring 2012, Management. Johanna Andersson & Linda Milve

situation, employees express themselves through irony in order to handle the anxiety of the situation without becoming victims of negativity. Additionally, the author's findings also show how irony can be used to neutralize irritation towards other persons or departments by voicing criticism in a playful and less threatening way. This aspect of irony could be related to how the interviewees express themselves when discussing the formerly mentioned critique against the low turnover amongst managers. In this context, the ironic approach is manifested through various comments such as:

As long as I don't have to be in the office [and see the managers] everything is just fine and dandy. (Senior Consultant)

Thus, we see how the interviewees use irony to counterbalance the criticism being dispensed. Besides these comments on the local management, the ironic remarks made by the employees are mainly directed towards BTDB and NewCo. Our view is that irony is used as a humorous way for the employees to acknowledge and at the same time detach from a wearisome situation. Furthermore, in looking at how the Gothenburg employees talk about BTDB and subsequently (albeit to a lesser degree) NewCo as laughing matters, we clearly see a connection to the reciprocal identity process that Sullivan and McCarthy (2008) described. Put simply, the ironic remarks about BTDB and NewCo are used to strengthen the local identity whilst at the same time allowing the Gothenburg employees to distance themselves from the rest of the organization. Moreover, we believe that using irony as a tool is strongly connected to another central process involved in the construction of the Gothenburg office's organizational identity, namely how the employees create *identity through alterity*.

5.2.3 Identity through Alterity

As described before, one way of constructing an organizational identity is by alterity, i.e. defining what the organization is *not*. By opposing something and pronouncing the ways in which your organization differs from it, identity boundaries and traits are developed (Czarniawska, 2008). Our view is that the Gothenburg identity is to a large extent built on alterity, in the sense that the interviewees talk about how the Gothenburg office is *not* like other things.

In the operational division the employee is a cost, but for us employees are an income, a profit machine. And now these two divisions are going to have the same core values? That's really something to think about. (Senior Manager)

This feels like a cultural clash, it's a buy-sell-mentality of staff and we're not used to that. We are used to managing our operations by ourselves. (Senior Manager)

The above quotes illustrate how the employees express how the Gothenburg office differs from e.g. BTDB and ReroGroup in how these organizations are focused on production and machines, whereas the Gothenburg office is more people oriented and values its staff. Furthermore, the employees oppose the Norwegian management culture, saying that it is much more rigid and top-down than how things operate in Gothenburg.

In talking about the Gothenburg office's independence, the interviewees take pride in not having been noticeably affected by the changes in the rest of the organization. Here, parallels can be drawn to Meyer and Rowan's (1977) concept of decoupling. Decoupling enables organizations to maintain standardized, legitimating, formal structures while their operational activities vary in response to practical considerations. Since formal structure is easier to change than the actual activities that employees perform, it might be assumed that the Gothenburg office was decoupled during the FindIT to BTDB transfer, i.e. that the formal organizational structure protected the operational core. Name and ownership changed while consultants continued to do their job as usual. Therefore, although the Gothenburg office had officially been incorporated into first BTDB and then NewCo – most employees have not noticed any changes and operational function has remained more or less the same. Furthermore, because of the absence of noticeable changes, there also circulates beliefs about the Gothenburg identity's strength, and how it is not easily changed, as illustrated by the quotes below.

I work for Gothenburg. The name of the company is always secondary. (Consultant)

We have a very strong identity here [in Gothenburg], so they can name us what they want. I mean, the identity exists in the local culture, it exists in us. (Manager)

Last but not least, the Gothenburg office's good financial results are used to demonstrate difference from the Stockholm office as well as BTDB and ReroGroup, who are claimed to have inferior results.

We make money for [NewCo], so I have a hard time seeing why they'd change anything about us. (Senior Consultant)

As illustrated by the quote above, money is used rhetorically to mark alterity and to lift the Gothenburg office as more valuable than other parts of the organization. We find that the Gothenburg office's alterity is connected to the employees' strong sense of organizational independence, since in order to be independent you need something to be independent *from*.

Although NewCo is a relatively new concept for the Gothenburg employees, there have

been alterity processes at play – for example in the skepticism towards the NewCo workshop. Our view is that this skepticism was a way for the Gothenburg employees to demonstrate their lack of identification with NewCo in the same way that they demonstrated it towards BTDB, in other words a way for the Gothenburg office to decouple from the surrounding organization. These efforts to separate from the rest of the organization can also be detected in the interviewees' shared concerns about increased top-down management directives from NewCo: there is a sense that they are all in it together if anything negative should happen to the Gothenburg office following the merger.

In sum, NewCo is rolling out extensive identity work, trying to introduce a sense of unity in the different parts of the organization. The Gothenburg office, on the other hand, is doing *alterity* work: persistently trying to prove that they are different from the rest of the organization. Hence, the Gothenburg employees are undoubtedly involved in doing identity work, but they are doing it by showing alterity towards different things rather than adopting the identity work brought to them by NewCo.

6. Discussion

In the following sections, we elaborate on the theoretical and practical implications of our findings.

6.1 Theoretical implications

Our main contribution to the theoretical field is to define what role organizational identity plays in a merger in a consultancy setting, specified below through the six points that constitute our key findings.

1. The organizational history has contributed to reducing the Gothenburg office's decoupling behaviour in the ongoing merger. The Gothenburg office showed clear tendencies of what Meyer and Rowan (1977) called decoupling in the FindIT to BTDB merger. Since that merger was poorly handled, it resulted in the Gothenburg office hanging on to their old FindIT identity and rejecting BTDB in order to preserve some stability in their day to day work. In other words, even though the organization's formal structure was very unstable, the employees felt safe through their identification with FindIT. Thus, the Gothenburg office was decoupled, which means that although the formal structure changed, operational activities remained the same. However, organizational stability does not happen by itself but efforts are needed in order to make it happen. The Gothenburg office put in time and energy to keep the old FindIT identity alive, and to resist BTDB's efforts to achieve closer coupling. The

decoupling behavior was less prominent in the NewCo merger, and we suggest that this is much due to the fact that whereas the employees perceived the FindIT to BTDB merger as unstructured and somewhat unprofessional, the general opinion seems to be that the NewCo merger has been handled much better. In comparison to BTDB's incomplete integration efforts, NewCo's investment in the workshops and the Oslo event is perceived by the Gothenburg employees as an indication of the new company's commitment to its employees. Therefore, we find that the Gothenburg office's organizational history has been beneficial for NewCo and made it easier for the new company to be received positively by the employees. Additionally, NewCo's internal marketing efforts directed at the thousands of employees was designed as challenges and movie-like trailers rather than standardized information, and our view is that this design was aimed at awakening the employees' curiosity and thus make them approach NewCo, rather than having the company approach them. As a result, the new company managed to make the employees feel involved rather than powerless and thus sidestepped the inevitable resistance that we believe would have been the Gothenburg office's reaction to the sort of traditional top-down merger procedure that the FindIT to BTDB merger was an example of.

2. Local management's behaviour affects the Gothenburg office's organizational identity and decoupling behaviour. Since literature argues that a central concern in mergers is changes in organizational identity (Haunschild, et al., 1994; Vaara et al., 2003; Schweiger et al., 1993), the strong Gothenburg identity constitutes an interesting case study. We have previously tried to map out the Gothenburg office's strong organizational identity, and besides the previously described processes involved in constructing it (Rehearsed Vocabulary, Irony and Identity through Alterity), we would like to add some thoughts concerning local management's role in the organizational identity construction. Simoñes et al. (2003) claim that in order to successfully implement a new organizational identity, management needs to demonstrate consistent behavior. Additionally, Alvesson (1992) states that managers in consultancy companies influence identity and vice versa. This means that since the Gothenburg office's managers to varying extent act as though they still worked for FindIT, this could be an explanation for first of all former BTDB's (and subsequently, NewCo's) difficulties in influencing the Gothenburg office's identity. The Gothenburg managers are not only the link between the rest of the organization and the local employees, but also the buffer zone that dampens the organization's impact, thus enabling the previously mentioned decoupling. Put simply, we suggest that the Gothenburg management's behavior is one of the contributing

factors to both the strong local identity as well as the office's separation from the rest of the organization.

3. Identification with professionalism contributes to the Gothenburg employees' low level of anxiety during the organizational change. After a merger announcement the employees often feel stressed and anxious (Daniel and Metcalf, 2001; Appelbaum et al 2000), but in analyzing the Gothenburg employees' reactions to the NewCo merger we found that they expressed lower levels of anxiety and concerns than what literature suggested we would find. We argue that this noticeable difference is related to the consultancy profession. Although consultants that work at customer's locations expressed considerably less anxiety than those who worked in the Gothenburg office, the physical distance to the organization is not the only reason for the generally low levels of anxiety. As we see it, the employees' professional identity has provided a calming effect in part because they have a view of themselves as flexible consultants that are prone to change, and partly because they are certain that the company depends on their expertise. However, the interviewees' professional understanding for the necessity of change may also mean that they refrain from expressing any doubt or resistance to the changes, since it could be viewed as unprofessional. If this is indeed the case, chances are that the interviewees may be more concerned than they seem and are putting on a brave face because of their identification with the flexible and adaptable role as a consultant. The question then becomes whether the company wants to devote resources to encouraging the consultants to express their full range of emotions, or if it is more beneficial to simply embrace the fact that employees are adapting to the changes without too much hassle.

4. Identification with professionalism influences how the Gothenburg employees relate to the surrounding organization. Since the Gothenburg employees strongly identify with a view of themselves as professionals, their perception of NewCo's efforts in the post merger integration process as "professional" is a key issue that probably will facilitate future cooperation and integration processes. In other words, NewCo's organizational identity is consistent with the Gothenburg office's identification with professionalism, and therefore the resistance that Brunninge (2005) described as a consequence of discrepancies between organizational identities is unlikely to arise. However, even though the Gothenburg office may adopt NewCo as a new name, there will not have been any significant changes in the local identity since it is very strong and as literature suggests, the longer an organizational identity exists, the harder it is to change (Daniel and Metcalf, 2001). Furthermore, work autonomy is

considered essential for professionals since the underlying assumption is that professional people know what they are doing, and therefore can be trusted to operate unsupervised (Alvesson, 1992: 2004). Considering this, and the employees' strong identification with professionalism, it is unsurprising that their main concern in the integration process is that NewCo will interfere with the office's autonomy. In other words, if the employees perceive that NewCo takes over too much this will constitute an enormous threat to the Gothenburg office's organizational identity. The Gothenburg employees' need for independence is demonstrated not only through their explicit requests for it, but also through how they construct their identity through alterity (i.e. how they express the Gothenburg office's difference from other parts of the organization).

5. *Because of the consultancy profession's nature, customers' play a role in constructing the organizational identity.* Although literature describes organizational identity as shared beliefs among organizational members (Hatch and Schultz, 1997: Lane and Scott, 2000: Corley, 2004: Brunninge, 2005), we believe that for a consultancy company there is more to the construction of organizational identity. Since consultants spend a lot of time at customers' locations, we find it important to consider what role customers play in the consultants' organizational identity. Consultants' work makes them span across organizational boundaries, constantly moving between their and the clients' organizations. Therefore, we suggest that the consultants' identification with the Gothenburg office and identification with the consultancy profession are related in the sense that identity emerging from contact with customers influences how the consultants feel within the Gothenburg office. In other words, how clients see the company influences how the consultants feel about their organizational identity. Thus, the identity work is not just happening between employees at the Gothenburg office but also between consultants and customers, outside the organizational boundaries. Customers must perceive consultants as credible (Andersson, 2001), and since the Gothenburg office's customers had little knowledge about BTDB in the FindIT to BTDB transition, the Gothenburg employees resisted identification with BTDB and kept FindIT as an organizational identity both internally and externally. This way, the office's customers knew what the company and its employees stood for, even though the formal structure – i.e. the name - had changed. However, in the recent name change NewCo has made extensive marketing campaigns and clients therefore have seen how much effort is being put into the merger, something we trust has led to a general perception of NewCo as professional. Since customers seem aware that NewCo stands for professionalism, the Gothenburg employees can

feel more secure with the new name. Consequently, we argue that customers' recognition of NewCo in combination with the consultants' willingness to identify with the new company will allow consultants and customers – through their interaction – to develop an organizational identity more associated with NewCo than FindIT.

6. The evident strength of the Gothenburg office's organizational identity has four main reasons. After analyzing the strong organizational identity that permeates the Gothenburg office, we would like to present what we suggest are the four main reasons for its strength. Firstly, because customers did not know BTDB and the employees could not identify with the company, hanging on to the local identity provided the Gothenburg employees with much needed stability during the years of organizational turmoil. Therefore, the office has well-rehearsed strategies and rhetoric to strengthen and maintain the local identity. Second, local management's behaviour is constantly reinforcing, and reciprocally being reinforced by, the Gothenburg identity. Third, the Gothenburg office's identification with professionalism entails a need for independence, which is manifested through the "irony" and "identity through alterity" processes. These processes further fortify the Gothenburg identity and the same time keeps the office separated from the rest of the organization. Last but not least, the Gothenburg office's rehearsed vocabulary helps maintain the strong local identity since it provides a common way to make sense of different situations and at the same time excludes outsiders.

6.2 Practical implications

Our main contributions to the practical field are to give considerations and recommendations for the Gothenburg office, specified in the 5 points below.

1. In spite of the lack of identification with NewCo, the Gothenburg office's identification with professionalism will help keep the office's good results. Although the Gothenburg employees' view of the new organization seems positive, they do not – at this point – primarily identify with NewCo. This is consistent with literature's claim that companies in a merger are prone to feel some identification with their firm of origin (Zaheer, et al., 2003). Employees that do not identify with their organization are more likely to act out of self-interest rather than contributing to collective goals (Lane and Scott, 2000), but we find that the Gothenburg office's identification with professionalism makes up for this and works as a motivation for employees to continue generating good results. The commitment to good results is further emphasized by the common belief that good financial results will keep the Gothenburg office autonomous. Therefore, we argue that even if NewCo does not manage to unify the new company's organizational identity, it is likely that the Gothenburg office will

continue to be highly committed to its work activities, and to generating good results.

2. *NewCo's way of handling the integration process will facilitate the development of a common organizational identity in the future.* How the employees presented the organizational history, more specifically how they talked about the FindIT to BTDB transfer as a laughing matter, manifested the employees' inclination for irony. The ironic attitude is mostly a way to handle anxiety (Hatch, 1997: Hoyle and Wallace, 2008: Sullivan and McCarthy 2008), which in this case was caused by the mediocre way in which the transfer was handled. We argue that since the Gothenburg employees have seen how disturbing a half-finished change process can be (not only in how customers' perceive them but also in regard to individual feelings of stress), chances are that they will invest more in the integration process this time around. The integration process can also be helped by the employees' awareness of what previous research on identity work within organizations points out: that it is an ongoing process and that it takes time to unify a new company (Schweiger et al., 1993: Daniel and Metcalf, 2001, Yu et al., 2005). Furthermore, if NewCo had made efforts to take care of the ideas generated in the workshops, the employees would have experienced that their participation was taken seriously and would perhaps have started to connect mentally (i.e. identifying) with the new company sooner. However, the way in which NewCo showed their organizational muscles, through the ceremony in Oslo and the massive marketing efforts made afterwards, seems to have counterbalanced this initial mistrust. Consequently, NewCo is now rather favorably greeted by the Gothenburg employees and it thus seems like NewCo's management have reached a good starting point for unifying the new company's organizational identity. In other words, we find it probable that it will be considerably easier for NewCo to integrate the Gothenburg employees into the rest of the organization than it was for BTDB.

3. *The local identity is not likely to be a hindrance for organizational activities and we therefore recommend minimum integration.* Although the interviewees seem to agree with NewCo's core values, our opinion is nonetheless that this merger might be one of those cases where it would be more beneficial for NewCo to leave the Gothenburg office's organizational identity rather unchanged, which literature calls *structural integration* (Schweiger et al. 1993). For the Gothenburg office, the organizational change seems to be mental rather than physical, i.e. there is a low level of practical change involved. Therefore, we suggest that NewCo would not have much to gain from imposing an identity change on the Gothenburg employees. Additionally, the NewCo and Gothenburg identity are coherent to a large extent, and the local identity is therefore not likely to be a hindrance for common organizational

activities. Instead, we argue that NewCo could benefit from encouraging minimum integration – or, if the vision of the unified company persists, at least let the integration process take as long time as it needs in order to minimize negative reactions from the employees.

4. *The Gothenburg office should make efforts to balance the tendencies towards insularity.* In spite of the Gothenburg office's history generally being a successful one, our view is nonetheless that the negative effects of the office's strong identity need to be addressed. One example of the insular tendencies that were touched upon in the analysis above is how the Gothenburg office - already a rather self-sufficient organization - ensures that the local identity will stay strong by keeping the top management team intact, and making the appointment of new managers a strictly internal procedure. Although this system undoubtedly has its advantages, this aspect of the office's independence already seems to be causing certain tension within the organization. Therefore, we ask ourselves how much further the isolated atmosphere can continue before it becomes downright stifling. In other words, although having a strong organizational identity entails many benefits, we propose that the Gothenburg office should make efforts to counterweigh the tendencies towards insularity in order to keep the organization healthy.

5. *Completely unifying the company takes time, but the current organizational situation shows potential for future collaborations.* In sum, we argue that even though the Gothenburg employees express some identification with NewCo, they are still more committed to the Gothenburg office rather than NewCo. However, for larger companies it is not always necessary – or relevant - to have all employees identifying with the whole organization (Alvesson, 2000), thus NewCo can rely on the local identity to be sufficient motivation for employees to continue contributing to good results. On the other hand, since organizational identity is one of the few ways to control consultants' behavior (Alvesson, 1992: 2004), if NewCo should want to influence the consultants in Gothenburg this could prove to be difficult due to the employees' lacking identification with the company. As literature suggests, unifying merging companies is an ongoing process (Schweiger et al., 1993: Daniel and Metcalf, 2001: Yu et al, 2005), and much work remains before the Gothenburg office is completely identified with NewCo. However, we find that this first period of integration has been successful from an organizational identity perspective, and that the current situation provides a fertile ground for future collaborations.

7. Conclusion

Through interviews and observations, we found that the Gothenburg employees have a strong organizational identity that permeates the office. Their organizational identity is based on identification with mainly two things: the Gothenburg office and professionalism. The Gothenburg employees viewed the BTDB merger process as unprofessional, which by extension means that BTDB symbolized a company that the Gothenburg employees – with their strong sense of professionalism - did not want to identify with, which in turn resulted in decoupling. NewCo on the other hand has showed a more professional way of handling the post merger integration process, and therefore has a more suited organizational identity for the Gothenburg employees to adopt. However, the employees still identify primarily with the Gothenburg office rather than NewCo.

The Gothenburg office's strong identification with professionalism also entails a profound need for work autonomy, and the employees' main concern is that the new company will become too centralized. The need for organizational independence is connected to the employees' commitment to generating good results, since they believe this will allow Gothenburg office to stay autonomous. Therefore, unless NewCo would want to influence the Gothenburg employees' behavior, the office's need for organizational independence should not pose a problem for the new company. Although integrating merging companies is an ongoing process rather than a goal one will ever reach, we have found the first stage of the integration process to be promising in terms of the possibilities for realizing further unification efforts.

To sum up, we believe that looking deeper into how organizational identity is (re)created through rehearsed vocabulary would be an interesting perspective for future research. Additionally, we would also suggest other researchers to further investigate on how interaction with customers affects organizational identity in consultancy companies.

Bibliography

Aguilera, R.V & Dencker, J.C (2004). The role of human resource management in cross-border mergers and acquisitions *Int. J. of Human Resource Management*, 5:8, pp. 1355-1370.

Alvesson, M. (1992). Leadership as social integrative action. A study of a computer consulting company. *Organization Studies*, 13(2), pp. 185-210.

Alvesson, M. (1995). *Management of Knowledge-Intensive Companies*. Berlin/New York: de Gruyter.

Alvesson, M. (2000). Social identity and the problem of loyalty in knowledge-intensive companies. *Journal of Management Studies*, Vol. 37 Issue 8, pp. 1101-1123.

Alvesson, M. (2004). *Knowledge work and knowledge-intensive firms*. Oxford: Oxford University Press.

Andersson, C. (2001). *I konsultens värld*. Lund: Studentlitteratur.

Ashforth, B.E. and Mael, F. (1989). Social Identity Theory and the Organization. *The Academy of Management Review*, Vol. 14, No. 1 (Jan., 1989), pp. 20-39

Appelbaum, S.H, Gandell, J, Shapiro, B.T Belisle, P & Hoeven, E. (2000). Anatomy of a merger: behavior of organizational factors and processes throughout the pre- during- post-stages (part 2) *Management Decision* 38:10, pp. 674-684.

Bang, H. (1999). *Organisationskultur*. Lund: Studentlitteratur.

Boje, D.M. (1991). The storytelling organization: A study of story performance in an office-supply firm. *Administrative Science Quarterly*, 36, pp. 106-126.

Brunninge, O. (2005). *Organisational self-understanding and the strategy process: strategy dynamics in Scania and Handelsbanken*. Jönköping: Jönköping International Business School, Jönköping University.

Corley, K.G. (2004). Defined by our strategy or our culture? Hierarchical differences in perceptions of organizational identity and change. *Human Relations*, Volume 57(9), pp. 1145–1177.

Czarniawska, B. (1997). *Narrating the organization: dramas of institutional identity*. Chicago :Univ. of Chicago Press.

Czarniawska, B. (2008). "Alterity/identity interplay in image construction.". In: Barry, Daved & Hansen, Hans (eds.) *The SAGE handbook of new approaches in management and organization*. (2008): pp. 49-62.

Daft, R.L. (2010). *Organizational theory and design*. 10th ed. South-Western Cengage Learning, USA

Daniel, T & Metcalf, G.S. (2001). *The management of people in Mergers and Acquisitions*, USA: Greenwood Publishing Group, Inc.

Descombe, M. (2009). *Forskningshandboken - för småskaliga forsknings projekt inom samhällsvetenskaperna*. Lund: Studentlitteratur.

Deshpandé, R., Farley, J.U., Webster, Jr, F.E. (1993). Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrad Analysis. *Journal of Marketing*, Vol. 57, pp. 23-27.

Elsbach, K.D. (2003). Organizational perception management. *Research in Organizational Behavior*, Volume 25, pp. 297–332

Fincham (1999). The Consultant-Client Relationship: Critical Perspectives on the Management of Organizational Change. *Journal of Management Studies* 36:3, pp. 335-351.

Gaughan, P. A. (2011). *Mergers, Acquisitions, and Corporate Restructurings*, 5th ed. John Wiley & Sons, Inc. Hoboken, New Jersey.

Gioia, D.A. and Thomas, J.B. (1996). Identity, Image, and Issue Interpretation: Sensemaking

during Strategic Change in Academia. *Administrative Science Quarterly*, Vol. 41, pp. 370-403.

Hatch, M. J. (1997). Irony and the social construction of contradiction in the humour of the management team?. *Organization Science* 8/3: 275–288.

Hatch, M.J. and Schultz, M. (1997). Relations Between Organizational Culture, Identity and Image. *European Journal of Marketing*, Vol. 31 No. 5/6, 1997, pp. 356-365.

Haunschild, P. R., Moreland, R. L, & Murrell, A. J. (1994). Sources of resistance to mergers between groups. *Journal of Applied Social Psychology*, 24, 1150–1178.

Hoyle, E. and Wallace, M. (2008). Two Faces of Organizational Irony: Endemic and Pragmatic. *Organization Studies*, vol. 29, pp. 1427-1448.

Jacobsen, D. I. (2002). *Vad, hur och varför: om metodval i företagsekonomi och andra samhällsvetenskapliga ämnen*. Lund: Studentlitteratur.

Kvale, S. (1997). *Den kvalitativa forskningsintervjun*. Lund: Studentlitteratur.

Kvale, S. and Brinkman, S. (2009). *Den kvalitativa forskningsintervjun*. Lund: Studentlitteratur.

Lane, V.R., and Scott, S.G. (2000) A Stakeholder Approach to Organizational Identity, *Academy of Management Review*, 2000, Vol. 25, No. 1, pp. 43-62.

McKenna, C. D. (2001)The World's Newest Profession: Management Consulting in the Twentieth Century. *Enterprise & Society*, Vol. 11(4): pp. 539–564.

Meriläinen, S.Tienari, J. Thomas, R. and Davies, A. (2004) Discourse and Resistance Management Consultant Talk: A Cross-Cultural Comparison of Normalizing. *Organization* Vol. 11(4), pp. 539–564.

Meyer, J.W. and Rowan, B. (1977). Institutionalized Organizations: Formal structure as myth

and ceremony. *American Journal of Sociology*, 83(2), pp. 340-363.

Piderit, K. S. (2000). Rethinking resistance and recognizing ambivalence: A multidimensional view of attitudes toward an organizational change. *Academy of Management Review*, 25(4): pp. 783-794.

Reissner, S. C. (2011). Patterns of stories of organisational change. *Journal of Organizational Change Management*, Vol. 24 Iss: 5 pp. 593 – 609.

Schilling, A. (2008). *Kan konsulter fusionera? En studie av betydelse av identitet vid en fusion mellan konsultföretag*, Stockholm: Elanders Gotab.

Schweiger, D. M, Csiszar E. N and Napier N. K (1993). Implementing international mergers and acquisitions, *HR. Human Resource Planning*: 16:1, 53- 70.

Siegenthaler, J. P. (2011). What role for HR during mergers and acquisitions? *Human Resource Management International Digest*, Vol. 19, pp. 4 – 6.

Silverman, D. (2001). *Interpreting Qualitative Data*. London: SAGE. Chapter 2

Silverman, D. (2006). *Interpreting qualitative data: methods for analyzing talk, text and interaction* (3rd ed.), London: SAGE.

Simoñes, C, Dibb, S, & Fisk, R. P (2005). Managing Corporate Identity: An Internal Perspective. *Journal of the Academy of Marketing Science*, 33:3, pp. 153-168.

Sköld, J. (2011). *Framgångsfaktorer inom konsulttjänsteförsäljning*. 2 ed. Malmö: Liber.

Sturdy, A. (2011). Consultancy's Consequences? A Critical Assessment of Management Consultancy's Impact on Management. *British Journal of Management*, Vol. 22, pp. 517–530.

Sullivan, P. and McCarthy, J. (2008). Managing the Polyphonic Sounds of Organizational Truths. *Organization Studies*, vol. 29, pp. 525-541.

Vaara, E., Tienari, J. & Säntti, R. (2003). The International Match: Metaphors as Vehicles of

Social Identity-Building in Cross-Border Mergers. *Human Relations*, 56:4, pp. 419-451.

Wallgren, L.G. (2011). *Motivation requested- Work motivation and the work environment of IT consultants*. Göteborg: Intellecta infolog.

Van Knippenberg, D., van Knippenberg, B., Monden, L., & de Lima, F. (2002). Organizational identification after a merger: A social identity perspective. *British Journal of Social Psychology* 41, 233–252.

Van Leeuwen, E., van Knippenberg, D. and Ellemers, N. (2003). Continuing and Changing Group Identities: The Effects of Merging on Social Identification and Ingroup Bias. *Pers Soc Psychol Bull* 29:6 679-690.

Yin, R. K. (2009). *Case study research: design and methods*. London: SAGE.

Yu, J, Engleman, R. M. and Van de Ven, A. H. (2005). The Integration Journey: An Attention-Based View of the Merger and Acquisition Integration Process. *Organization Studies* 26: 1501-1528.

Zaheer, S., Schomaker, M. and Genc, M. (2003). Identity Versus Culture in Mergers of Equals. *European Management Journal* 21:2, 185–191.

Appendix 1: Interviewees

| Interviewee | Position | Years of employment |
|-------------|-------------------|---------------------|
| 1 | Consultant | 0-5 |
| 2 | Consultant | 0-5 |
| 3 | Manager | 0-5 |
| 4 | Manager | 5-10 |
| 5 | Senior Consultant | 5-10 |
| 6 | Senior Consultant | 10- |
| 7 | Senior Consultant | 10- |
| 8 | Senior Consultant | 10- |
| 9 | Senior Manager | 10- |
| 10 | Senior Manager | 10- |
| 11 | Senior Manager | 10- |
| 12 | Senior Manager | 10- |
| 13 | Senior Manager | 10- |

Appendix 2: Interview 1 Template

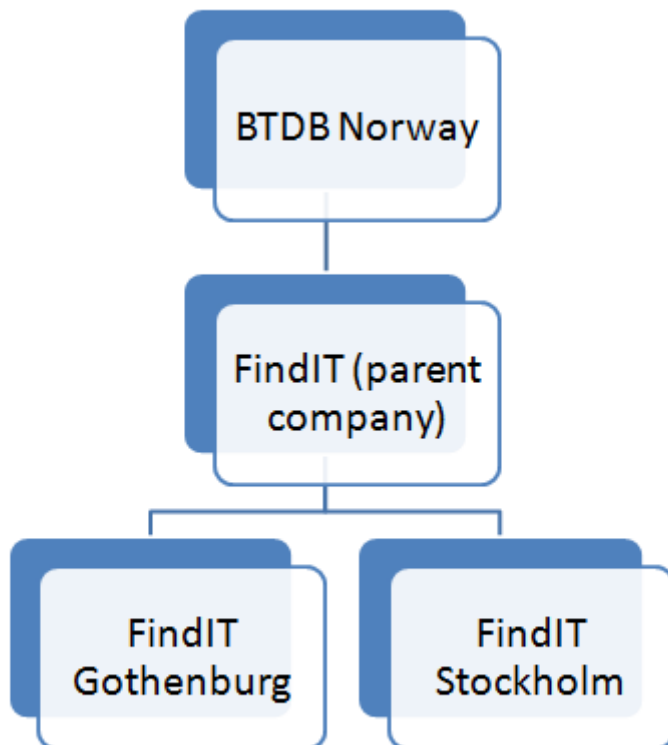
General Information:

- Can you tell us about your background, how you ended up working for BTDB.
- What do you do, your main tasks? (In the office, at customers' locations, etc.)
- When did you get information about the ongoing changes within the company? How did that information process happen?
- What are your feelings towards changes like these?
- Have the organizational changes affected your job? How?
- What do you see as challenges with this process? What is positive?
- How would you describe the identity /culture and working for BTDB?
- What are your thoughts about the attempt to create a common organizational identity/corporate culture?
- What are your feelings about getting a new brand? Will it “fit in”?
- Is it important to feel belongingness and identify with your company? Why?
- What do you think it will be like to become one company?
- Did you participate in the workshop? (Culture and Change)
- If Yes: How did you perceive the workshop? What did you get out of participating?
- If No: Any particular reason you did not attend?
- What do you think of this type of workshop?

Appendix 3: Interview 2 Template

- Did you participate in the Oslo event?
- Please describe how the day was organized and what happened during the day?
- How did NewCo release the new name? What did you think of it?
- What do you believe they wanted to achieve with this event?
- What are your impressions of the day?
- What do you feel about NewCo and what are your thoughts about the new name?
- What happens now after the name has been released, will there be more activities?
- Do you think NewCo will affect the organization in Gothenburg? How? Why?
- Do you think it will be possible to combine the strong local identity with the new, bigger organization? What do you think will happen?
- Do you believe there is a difference in the Gothenburg office between employees, depending on how long they have been employed?

Appendix 4: Figure 1



Appendix 5: Figure 2

