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**Articulation of principles on the micro level  
– observing argumentation in a merger process**

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## **Abstract**

The merging process between a Swedish and a Norwegian manufacturing company has been studied using interviews, video recordings and comments explaining video recorded events at meetings. It is assumed that sensemaking includes a choice of context to apply to the “text” at hand. But sensemaking also offers opportunities to propagate a certain con-text/perspective. Here a central idea, “selvstendig bedrift” (independent and self-sufficient company), is taken as the object to unpack. We demonstrate how it has become value-laden in Norwegian managerial discourse and tied to a managerial role that differs slightly from the Swedish one. We also show an example of how principles packed into this idea become articulated in practical discourse in a management meeting and how participants interpret “what is going on”. A conclusion is that a speaker must pay attention to what context he or she wants to mobilize in the audience. We also question to what extent terms like “shared values,” or “shared information” has any useful meaning.

**Key words:** mergers and acquisitions, integration, discourse analysis, process studies.

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## Articulation of principles on the micro level – observing argumentation in a merger process

### Introduction

An intensive study of the integration process between two companies, one Swedish (the buyer) and one Norwegian, has revealed that the idea of an independent and self-sufficient company (“selvstendig bedrift”) survived, remarkably, in the acquired company in spite of the fact that it was now a small part of a large global corporation. How is it possible that such a conception remains in managerial discourse over several years? Even today we can find on the company’ home page that it is “an independent company with a solid ownership structure”! It is because this is just “discourse” without much relevance to real management or does it have a different practical meaning than the one we conventionally attribute to it? We claim that the conception of “selvstendig bedrift” is an anchoring object (cf. boundary object; Star 1989) in the emerging discourse on integration between the two companies. We find the conception used more frequently and with emotional emphasis, explicitly and implicitly, in top management discussions than on the operational level. It seems to play a role in sensemaking that relates to structure and authority, but it also provides opportunities to articulate, in concrete situations, principles of management with normative value. But it also serves as a basis for romanticising the company. For instance a top manager claims that “unless we remain an independent and multi-functional firm we will be unable to attract the best young engineers’ while the engineers’ union representative claims that “now that we are part of a global corporation it is easier to attract the best young engineers”. It may be that the term relates primarily to the identity and authority of local top management and to management style, or is it an expression of nation building rhetoric? After all, the union between the two countries was dissolved as late as 1905. Whatever the roots are the conception has to deal with the integration process, and this can be done more successfully with knowledge about the connotations of the conception, its position in the interpretative vocabulary (Potter and Wetherell 1987).

The merging process between a Swedish advanced components manufacturer and an acquired (in 1999) Norwegian competitor has been mapped through interviews with key members in both countries. These interviews indicate that a central conception for top managers of the Norwegian subsidiary is that it is and should continue as a full-blown independent company, while the new owner is looking for synergies, not least in the marketing and purchasing departments. If such departments were centralized to headquarters the Norwegian subsidiary would be reduced to a production unit (albeit with special competence).

The principle of self-sufficiency has been accommodated through an organizational structure that leaves the Norwegian operations as a separate division in the business area concerned. The manager of the business area wants to achieve integration not least now when business is slowing down among the few international end-product producers. The research team has been allowed to video-film the regular management team meetings. When we have played back recorded events to individual members asking them for comments we see time and again how the issue of self-sufficiency colours the interpretation of a wide array of situations. These situations provide an arena for articulation of a principle that may be a misconception to start with. Nonetheless the top manager of the Norwegian division manages to maintain the idea by catching these opportunities of argumentation. Exchanges are analyzed from a micro- and macro perspective.

## **The problem**

When action is taken to integrate two or more organizations that were previously operating independently many new experiences are imposed upon individuals. Expectations will be based on differing premises, and processes will not unfold as intended. Furthermore many participants will have little but diverging frames to apply in sensemaking of events, which means that learning may also be diverging. Miscommunication is a likely outcome, but can it be avoided? We posit that in across border mergers where multiple frames of sensemaking are at play it is possible to avoid grave miscommunication by paying attention to those frames and work with translation mechanisms across frames. In order to make the case for this claim we will analyze frames at three levels in a specific case of a Swedish-Norwegian merger.

We assume that the motive for merging two organizations is the desire to achieve growth in some sense. We are not discussing situations where the intention is to eliminate competition or appropriate some specific asset. There has since long been a debate among economists about explanations to growth. Usually growth is taken to be a natural, inherent characteristic of economic activity, and all that is required is some external factors to be in place. But Lucas (2002), in his endogenous growth theory claims that a change in the way people see their life and those of their children is required for take-off to self-sustained growth in catch-up economies. Then there will be investment in human capital with increasing return to scale. For Greenfeld (2001) the explanatory factor to economic growth is nationalism. She points to the fact that Rostow (cf. 1960), who coined the term “take-off to self-sustained growth,” repeatedly came back to “reactive nationalism” (reacting against intrusions from more advanced nations) as a growth promoting factor. In the 1990 edition of his book he argued that the approach to growth via mainstream economics is misleading because several factors are at work. “[T]he process of growth is inherently interactive, yielding not only changes in the parameters, but even in the rules of behaviour” (Rostow 1990:247). What happens, according to Greenfeld (2001: 94-101), is that a nationalist rhetoric emerges, nationalist in the sense that it argues for equality between members and that each one can contribute. Social reality is constructed in a community as its identity is articulated, partly and only in response to external events, but chiefly reflecting a creative interpretation of the situation in the community. The national identity commands loyalty and thus membership and contribution become important aspects of social recognition (Fukuyama 1995) as individuals develop multiple roles through communal interaction.

Management team meetings establish the practice of the two businesses, which are video recorded and analyzed. Schegloff (1992) and Shotter (1993) suggest that the analysis of “talk in interaction” can be used to provide evidence for the ways in which the properties of talk extend meetings and organizations. Properties of talk used in the video sequence, which is analyzed, are for instance “categories” used such as ”selvstendig bedrift”, “Chapter 11” and “production stoppage”. The language used by the members of the management team, enables individuals to recognize each other, to cooperate, to negotiate, to make decisions and to distribute various

assignments to different levels of the organization, i.e., to enhance a differentiated social organization. It enables members to negotiate positions and identities. Statements by the members of the management group may illustrate various stances. Significant shifts in alignment, i.e., “footing” is taken in order to illustrate the importance of a decision or the differences between two opinions (Goffman 1981: 128). These merging companies of two different countries have to face the fact that talk in interaction on a macro level seem to be treacherously uncomplicated while the process of decision making on micro level reveal emotive oppositions.

When companies in neighboring nations are merged we can expect that national identities are at play at the same time as a community of the formerly independent companies is sought. What processes will unfold? What arguments are used? How are individual identities implicated? In order to find tentative answers to such questions we present a case study including empirical data and evidences. We need to limit the scope of the analysis and for that purpose we have focused on the issue of self-sufficiency or independence of the acquired company. This argument, which we will explore henceforth, appeared repeatedly over our one and a half year of observation of the merger process.

First we sketch the industrial histories that seem relevant in this case, and then we summarize interview statements on national differences. After that we will focus on how the issue of self-sufficiency is mobilized in video recorded debates and how participants comment on the exchanges when played back to them about one month after the meeting.

## **Managerial History**

### Norway

In our interviews with Norwegian participants there are references to the dissolution of the union with Sweden in 1905. As the reader might know Norway belonged to Denmark up to 1814 when Denmark lost control as a consequence of Denmark’s siding with Napoleon. For a brief moment Norway was free (Eidsvold constitution of the 17 May 1814), but soon, in 1815, Norway was given to Sweden by the Vienna Congress as a reward for joining the other side at the right time. A union between the



two countries was formed with two parliaments but one king. This means that for Norway modern industrial history (after 1905) coincides with the building of the nation. As Norway articulated its new won freedom it was natural to build on the contrast to Swedish Big Business and to tie the new democratic Norwegian capitalism to “the common man.” (Stråth 2001; Sejersted 2001). The State intervened against industrial concentration and from this grew a strong regionalism. Even if the labor movement, after a period of radicalism, entered into a welfare compact with the state, as in Sweden, the structure differed. In Norway, a broad association formed “Fedrelandslaget” against the labor movement, a development toward “democratic capitalism”. Furthermore, Norway had no “national banks”, which the other Scandinavian countries had. This promoted a local emphasis on industrial modernization.

Even if the labour movement was more radical in Norway and the Wallenberg sphere in Sweden favored building large industrial structures in Sweden, there are important similarities. A determining factor was the choice of path after the war. Self sufficiency and independence were common ideas but they were implemented differently. Self sufficiency was named the “middle way” (Childs 1936), and included an intensive debate in both countries on the planned economy. However, as Sweden could build its take-off after the Second World War on an undamaged production capacity (plus “the Korea-boom”), Norway depended on the Marshall aid to get started. When Byrkjeflot (2001) compares the different roads of the two countries after the war he starts from the post-war strategy promoted by the American Committee for Economic Development (CED), and which built on a stakeholder model of management. Beside the renewed interest and institutionalization of productivity promotion in both countries, the Swedish response to CED was to set up a study group for industry and society (SNS) as progressive industrial leaders (Browald, Iveroth and Thunholm) saw “corporate citizenship” as a prime issue. In Norway, Byrkjeflot (2001) points to a “legitimization” of management in the spirit of “Kenningism” as a driving force. Again, there was not a very great difference.

George Kenning came to Norway with Marshall Aid. He is described as the key person in the “Americanization” of Norwegian management. He came from General Motors and was one of several consultants invited by the Norwegian Productivity

Institute (NPI) in the 1950s. Byrkjeflot describes how an aura of charismatic authority developed around Kenning and his principles. The charisma came partly from his personality but a cord was also struck with a kind of anti-intellectualism in Norwegian Social Democracy as well as in the shipping industry. A new elite of professional managers emerged at this time and this can have set the stage for a missionary zeal based on the inputs from Kenning. He was not a friend of the written word, but preferred to reason with his clients (in small groups) about matters of principle with general applicability. What European companies lacked was a strict functional division of work and clearly stated responsibility for management. The frontier between labor and management was at the level of the foreman. He argued for internal promotion of managers and saw no benefit in academic education for managers. He focused on the legitimization of internal managerial authority (while the Swedish SNS promoted “corporate citizenship”). Management principles are universal and independent of industry or “culture.”

Another idea, that was launched at about the same time as Kenning had his most appreciative audiences, was Thorsrud’s idea of self-managing teams (together with Emery and other colleagues). Experiments were conducted in Kristiania Spikeverk and in Kongsberg Våpenfabrik (KWF) but they were not going so well. Around the middle of the 1960s contacts were established with similar efforts in Swedish industry (Rolf Lindholm, 1994). Self-managing teams seemingly never got very popular in Norway. In Sweden, on the other hand, the idea was taken up and developed further as part of the strategy on the employer side to meet the Co-determination legislation. Chief ideologues in this matter at the Employers’ Federation were Björn Strandler and Rolf Lindholm.

Kenning’s ideas came to Sweden with unfortunate timing, and failed because they came to be entangled in a wild cat strike in the mine fields of Luossavaara Kiirunavaara Limited Company (LKAB) in 1969. One of the demands of the strike committee was the abandonment of the Kenning principles that had been made public during the strike, and came to represent everything that the strikers were against. Kenning, who never came back to Sweden, had stated in an interview (Veckans Affärer, 1968) that Sweden “had a long way to go in management” (even if they were more professional than the Norwegians). There are a number of Swedish

sources which give accounts of the Kenning visit in Sweden (LKAB 1968; Fältström 1968; Dahlström et al. 1971).

In Norway, however, Kenning's 31 management theses, now gathered under the title "Praxes," flourished, even if they were not published in Norway until 1987 (Schjander, 1988) when it became a bestseller (9<sup>th</sup> edition 1995). It seems likely that Kenning was of the opinion that the theses were only meaningful in the context of a detailed discussion of leadership, and thus should not be published "naked" as it were. Kenning participated, discretely in several large leadership development programs in major Norwegian companies, always starting from the top. There are institutionalized network meetings like the "June meetings" and "Presidents' club." Kenning's theses have also been prototypic for the formulation of "mission statements" in many companies. Not until 1991 (Kalleberg 1991) did academics comment on the theses. The ensuing controversy has, according to Byrkjeflot (2001), increased the mutual lack of respect between the management elite and academics in Norway.

We conclude that in Norway industrialization and nation building coincided. The elite were engaged in representing "the people" as well as building industrial firms. The smallness of the communities required both tasks to be solved at once. This seems to have been translated into a specific of responsibility for regional employment and development. To the extent that such leaders were successful they earned local trust and felt the responsibility lay on their shoulders. Such patriarchal local structures could be found in Swedish "mill towns" dominated by one large production unit. Structural change in steel and forestry has largely eliminated the phenomenon in Sweden. The articulation of managerial ideals that found resonance in this field of practice was the Kenning principles on what constitutes legitimate managerial leadership. It is a universal professional skill, independent of what activities to be managed. Academics played a minor role in this articulation.

#### Sweden

Also in Sweden the CED (Committee for Economic Development) had its impact after the Second World War. SNS was set up by Browald, Iveroth and Thunholm who had visited the USA to see what CED was about. Some (Wallenberg) did not

like SNS much (“too academic”) but promoted the Research Institute of the Industry (IUI) of the Association of Swedish Industries (SI) where Iveroth was the managing director. Possibly SNS did not have a great impact to start with but it did give legitimacy to regular meetings between industry and the government. This dialogue was named (derogatorily) “Harpseud democracy” after the place where it usually took place. Also the SI transferred, in 1956, its ALI, for training foremen, to the Swedish Employers’ Federation (SAF), which also set up RATI, for training production engineers and, later included the Yxtaholm seminars. In 1966 SAF established its Technical Department and engaged Björn Strandler and Rolf Lindholm, who had attracted attention as leaders of work organization experiments at Fagersta Steelworks. The technical department conducted studies of work organisation (e.g., product workshops, where as much of the administrative functions as possible were “outsourced” to the production facility in a self-management manner.) It was obvious that work organization had become a strategic issue where the employers wanted to hold the initiative. This also had political implications. In 1969 the Swedish central union (LO), that had until then fought traditional wage level issues, decided to take an interest in the Norwegian experiments and translated one of the reports (Thorsrud and Emery 1969) in a joint initiative. This effort developed a broad common understanding on development issues concerning work organization and technology over the next decades. A publicized example of concrete achievements was Volvo’s Kalmar Plant. The Norwegian Thorsrud studies in a way emigrated to Sweden in the form of the (not so successful) LOM-program (Leadership, Organization, Man-program; Naschold 1992). When legislation on Co-determination went into effect in the middle of the 1970s a strategic decision was taken on the employers’ side to try to engage employees in the company by accepting the idea of transparency, full access to information, and board representation for unions. This approach may be said to have its basis in the SNS-version of the stakeholder model propagated by the CED. Corporate citizenship presupposes that top management assumes a role of institutional leadership (Selznick 1958; Tengblad 2002). It “negotiates” the different stakeholders, i.e. owners, employees, customer, the State and Labor unions, as it builds the enterprise as a social institution.

The large scale welfare state and centralized unions had provided a setting that favored large companies that could deliver on promises. Large corporations dominate Swedish industry to a larger extent than in most other countries. The corporatist structure can be maintained if management has the trust of the other parts of organized society. The strong ownership function that the “Wallenberg sphere” asserted set the stage for a style of management based on trust and delegation of responsibility (Jönsson 1995). The balance was unsettled by the weakening of the spheres (primarily Wallenberg) and the widespread share holding of “everyman” with the consequent adoption of the “Shareholder value” rhetoric. Lacking a principal function between owners and top management recent installations of incentive systems are supposed to tie managers and owners tighter together. A general decrease in trust and respect for top management, not least fuelled by recent scandals may prompt renewed concern for legitimization of management externally as well as internally in Sweden.

## The Companies

### Volvo Aero

One of the companies in the merger process is Volvo. The company played a central role in development of mass production work organization in the 1930s. The two founders of Volvo established early on the strategic principle to avoid being dependent on one bank. This helped Volvo stay clear of the “bank spheres,” becoming an institution in itself with a much larger number of small share holders than other companies. The lack of a strong financial environment was felt as the cost and pace of product development increased in the 1970s. Pehr Gyllenhammar, CEO of the Volvo-Group from 1971, searched for different solutions to this problem (including an effort to sell part of the company to the Norwegian state), but it turned out to be difficult to sell even part of this “crown jewel” of Swedish industry. Well publicized experiments with improved work organization, e.g., the Kalmar plant, had helped to build an asset that could not be sold. In 1993 Pehr Gyllenhammar was forced to leave as he was too fast in trying to merge Volvo with Renault (Hökerberg 2000:149). Not until 1998 could Volvo Cars be sold to Ford in order to free resources needed for global expansion of the truck and construction equipment

businesses. The Volvo Aero business unit was not part of this expansion to the same extent, but it had a reputation for training qualified engineers for further careers in the group. Volvo Aero had embarked on a diversifying strategy during the 1980s as part of its withdrawal from almost total dependence on its military sector to a civil market. Now this diversification (e.g., into hydraulics applications) had been terminated and focus was on commercial aerospace components. A couple of domestic acquisitions had been carried through with limited success.

### Norwegian Jet Engine

Kongsberg Weapon Factory (KWF) was a crown jewel in its own right. The industrial history of Kongsberg can be traced back to the 1620s when silver mining was started in the mountains at Kongsberg. The king (of Denmark) heard of the large silver finds and visited the place that was baptized “King’s mountain” as it was given city privileges in 1624. For several hundred years the mine supported a growing population of the second largest city in Norway after Bergen. The number of employees was reported to be 4.000 in the 1770s, a vast number at the time. But access to silver ore varied over time, generating poverty and starvation at times, and the government decided to set up a weapons factory in 1814 (Norway free from Denmark for a while before entering a union with Sweden in 1815). A famous Kragh-Jørgensen rifle was developed (later licensed to the USA, under the name Springfield, where it was produced in large volumes). The KWF grew steadily and by the 1960s it had started to design and produce complex systems on its own. Part of the explanation for this advancement in technology was Norway’s membership in NATO. In 1976 Norway participated in the “European purchase of the century of military aircraft” as the F 16 was chosen. Orders for components to the Pratt and Whitney F 100 engine were placed at KWF. The project was a success and cooperation with Pratt and Whitney followed. In 1984 the company could invest in a “risk-revenue-sharing” participation in Pratt and Whitney’s PW 4000 civil aircraft engine. Some sub-contracting to the oil industry had forged a link with French Snecma.

But, in the meantime trouble had gathered, the whole of KWF was in financial trouble that turned acute in 1986. The owner (the State) decided to split the

company up into five parts. Out of this emerged Norwegian Jet Engine (NJE) in 1987 with the state (1/3), a consortium (1/3), and Pratt and Whitney together with Snecma (1/3) as owners, based on the contracts of the old jet engine division. Soon the state had taken over a majority and as a new government announced a reduction in state ownership of companies in 1999 the stage was set for the Volvo Group to take over all, but the 22 % holding of Pratt and Whitney. Volvo had tried a friendly takeover already in 1994/95, but top management of NJE had advised against it and the owners concurred. The main argument then was that if Volvo took over, they were likely to close down the plant and move the production to their home plant in Trollhättan. In 1998 things had turned. Capacity was fully occupied and if the government wanted to sell out the management thought Volvo to be a suitable industrial owner. The NJE had ancient roots even if it was a young organization. Top management felt a strong obligation to participate in fostering the local engineering traditions and support the local economy. It was now very successful after some difficult years.

As the integration process started with the new owner aiming to develop the business area one could expect the old top management to be more explicit than before in its local patriotism, precisely for the reason that it had found a solution to the previous crisis, and because it was used to a rather passive owner. On the Swedish side the concern of the business area management charge to integrate the new unit was to avoid repeating the mistake in an earlier acquisition of being too non-interventionist. The business area was the smallest one in a large global corporation. It was used to the bureaucratic planning and reporting routines while the new Norwegian unit had been left much to itself. Both units had long industrial traditions with strong local leaders, and with a local community characterized by engineering and manufacturing.

## **The integration process**

The integration process started with the formal acquisition in March 1999. Immediately upon the formal take over a massive campaign to get to know each other was initiated. Visits, seminars, social events accompanied a large exhibition of Volvo products at the Norwegian plant. There were also opportunities to test drive

trucks and spend time together at sport events. One lesson from an earlier acquisition was that the symbols of the old identity should be taken away at once and new symbols and logos established as a sign of the new regime. The buying company also placed a non-executive representative in the Norwegian organization during the first year. We can look upon these activities as aiming at initiating social processes favorable to integration. Both sides commented positively on these initial activities.

From the beginning the new acquisition was included as a second division (beside Division Civil Air) in the Civil Jet Engines business area, in which Space Propulsion was included as a unit. The idea was to integrate the two units using a matrix form with designated coordinators for functional areas. The two divisions were consolidated on a business area level, but this level had no staff. In these functional areas, a number of project groups were set up from the start to find synergies. These projects were operational for about a year after which they were dismantled without much implementation. The explanation for this hesitation in implementation was a change in organizational structure effective from about 18 months after the take over. This change in structure had come out of the discussion in the joint management meeting (business area management). Space Propulsion, an industrial unit, had been singled out as having a specific business concept that would disturb the integration of the main activities. Still the main idea about coordination was a matrix form.

However, there seemed to be a problem with persuading the Norwegian division to abandon the idea that it was an independent, fully equipped company, and accept joint marketing, purchasing and departments. The head of the Swedish division, who was also business area head (even if the business area at this point was only a “consolidation account”), now decided to move the coordination issues up to the business area level. He was careful to talk this through with his closest associates (Swedish and Norwegian) individually before deciding. It meant abandonment of the matrix idea and the establishment of a hierarchical structure. This also included the more permanent establishment of the Management Team Meeting on the business area level as a forum for dialogue on common issues.

We can see from this description that there are in the integration process, three kind of processes running in parallel and with their own logic: social (trust), synergy



(economic rationality), structuring (power) processes. We claim that when members “stage” their arguments or interpret the arguments of others, they are likely to cause “short circuits” between these logics, which may lead to misunderstanding.

## Empirical evidence

The empirical material will be presented in three stages. First we present views on differences between the two organizations expressed in interviews, often in nationalist terms. Then we present an excerpt from one of the video recordings of management team meetings and finally comments from participants when viewing the incident played back to them individually.

### Interviews, November and December 2001

Interviews were conducted in Norway (8 interviews by Norwegian colleagues) and Sweden (28 interviews by the Swedish research team) according to an interview guide. They focused on the integration process (what had gone well, what did not go so well, what remains) and the respondents’ personal experiences of the process. The interview period was two months towards the end of 2001, about two years after the takeover (the latest structural change had occurred a couple of months earlier). Interviews lasted 30–80 minutes. They were audio recorded and later transcribed.

In general respondents were quite satisfied with the integration process. The “brutal” marking of the takeover by removing all symbols of the old company was accepted as reasonable. The social processes had worked well enough. Several Norwegian respondents expressed satisfaction that their expectations that the Swedish acquirer would dismantle the Norwegian plant and move everything to Sweden were not fulfilled. Instead an order won by the Swedish company had been placed in the Norwegian plant. This had generated goodwill. The Swedish respondents were satisfied that a Norwegian risk-sharing contract filled plant to capacity so well. Corporate headquarters were pleased. There had also been some successful exchange of personnel. The Swedish, non-executive “ambassador”, mentioned earlier, was pointed out as being very helpful. The Norwegian quality manager was promoted to the business area level to co-ordinate knowledge transfer on quality issues.

When characterizing each others' style of management the Norwegians were described as faster to decision, while the Swedes in their consensus seeking processes would go slow in a large number of meetings to "anchor" decisions. The Swedes would get it right with their slow process, while the Norwegians with their quick decisions would fall on their nose now and then, get up, charge in a different direction, trip again, etc. Descriptions were framed jokingly.

However both sides had some difficulties with the mutuality of images of styles. One Swedish manager commented on what the top manager of the Norwegian company had said at one of the initial seminars [all quotations translated by the authors]:

He talked about Swedish management being much "harder," much more of decisions being taken [...] and then people have to step in line and act accordingly, while in Norway one is careful to have everybody on board before the decision is taken. That is the absolute opposite to my experience... (Swedish member of the Business Area management group)

This is a common tendency that we have found in 8–10 other studies of management cultures as well. We tend to romanticize management in our own home organization and interpret concrete instances of the others' practices in terms of that utopian frame. "They" do not live up to "our" utopia. The recurrent character of utopia seems to be just the description given in the quote above: "We have a free and open discussion where people speak their mind. Then, when the decision is taken, we carry it out loyally even if we did not agree earlier".

This use of a utopian norm to judge the practices of others seems to guarantee misunderstandings. There will be a systematic bias in descriptions of the management practices of the other, and one has, consequently, to resort to the finer points of difference between similar kinds of rhetoric. The emphasis seems to differ somewhat between the two countries. The Swedish rhetoric portrays the employee as a reasonable, mature person who can take responsibility for her or his own work. What is required is that there is agreement on what the task (or problem) is. The "woolly" Swedish discussion (as we agree is objectively present in the management teams we have observed) should be seen as an invitation to engage. Given that this happens the boss can finish the meeting by saying "OK, see what you can do!" which is quite ambiguous. The point is that it "delegates" responsibility firmly to the employee. The

employee will need to contemplate whether she or he can deliver before committing, because trustworthiness is an asset in such a context. The slow process is a consequence.

The Norwegian rhetoric, with its somewhat different emphasis, presumably stems from managers' participation in building the young nation. The stress on equality comes from the democratic project that was loaded with the values of the new nation. One participates by expressing opinions. The leader has the role of tying it all together and summarize in a clear decision. The core of Kenningism (Schjander 1988) is to "make something happen through others," to translate "will" into action. In this way the Norwegian boss needs to mark leadership more visibly than the Swedish colleague. As mentioned earlier the Kenning principles may be seen as articulating the legitimacy of leadership (internally).

The main "problem" in integrating the two companies - where lower level respondents almost without exception talk about how easy it is to work together - seems to have been the idea of "selvstendig bedrift" (independent and self-sufficient company) harbored by top management in the Norwegian branch. This idea had its roots far back, but had been reconfirmed through the experienced crisis of 1986. The former CEO and his deputy (now CEO) had organized the construction of the company out of the remains of the former weapons factory. They had secured the participation of the customers in the reconstruction and strengthened their links to authorities in the process. The board of the state-owned (majority) company had not been very active. The saviors of the company had a strong position:

[The former CEO, by first name], was used to being the Managing Director with complete board and then complete, unimpeded power. That is not the case any more (Swedish middle manager).

The former CEO of the Norwegian branch confirms that this is not specific to this company:

The Norwegian style of management is more direct and visible than the Swedish one, especially at the top level.

The advantage of the “more direct” style of the Norwegians is that they are more “quick-started” as a Swedish respondent puts it. It is as if they have a superior arm-in-arm discipline. The Swedes are not quite sure how they do it:

I believe they put a lot of effort into internal communication.....because I often feel they have been so in accord that they “catch us napping”... before we are able to get our act together... they are more tuned in to each other than we are, and when they have made up their mind they are very strong against outside pressure. It might be because we are a larger organization.... they are smaller (Swedish production manager).

Possibly, this presence of well-tuned action readiness prompts Norwegian explicit decisions. The Swedish need to “get their act together” by meetings and discussions to “anchor” decisions, to re-negotiate the tuning, as it were, represents another form of discipline. While the Norwegians can march together on the basis of the letter of the (explicit) decision, the Swedes have to continue to negotiate the intention of the (implicit) agreement-like decision on the road towards implementation. The Norwegians are apt to “fall on their noses” as realities do not match decision premises, while the Swedes are slower but more likely to get it right the first time. (The authors are well aware of the unwarranted generalizations resulting from trying to interpret interpretations, and from only one company where respondents have only 2 – 3 years of experience of working together.)

The Norwegian style, be it company specific or national, of decision making, demands top manager authority, and this is threatened by too far-reaching integration:

They might realize that we are not as independent as we used to be. There is a concern that they won't respect the authority of top management because we are controlled from Sweden (Top manager, Norway).

The worries about a loss of control and efficiency due to “unchecked” integration find its expressions in the conceptualization of “selvstendig bedrift.” It is for instance quite logical to construct the Board of Directors as the final authority on company affairs (after all the Norwegian unit is a limited company under Norwegian law), even if it is a bit unrealistic for a daughter of a daughter company of a global corporation, even if a major customer still owns a minority share.

I almost have the feeling that our board is a mere formality. They want everything to be OK-ed in advance and in all kinds of directions among the Swedes.... Can you

imagine that we Norwegians are naive enough to believe, that when they come here to sit on our board, they do it to take the best decisions for the company. But in reality they come here with 'a fixed mandate' because they must look out for Volvo to look good on the stock market at all times (Norwegian top manager).

But still it seems to be the local anchorage that is the strongest argument for "independence". If the Norwegian operation is maintained as a fully-fledged company with all functions intact it will be a more attractive place for young engineers to work.

Our ability [is] to remain a "selvstendig bedrift", an attractive place of work for those we will employ. This is perhaps our greatest point of contention with Volvo now (Norwegian top manager)

It seems like the concept of "selvstendig bedrift" is closely related to the identity of top management rather than the employees at large in the Norwegian unit. Still the significant other in the Norwegian articulation of "selvstendig bedrift," i.e., the new owners, had the explicit intention to retain the old top management since its market relations as well as connections to state authorities dealing with off-set production constituted an asset that would have been difficult to replace. This occasioned a somewhat ambiguous strategy for the integration process. A continuous dialogue was expected to generate consensual steps towards integration (a "Swedish" approach). This resulted in a somewhat diffuse "significant other" to articulate against. This diffuseness tended to frustrate also middle managers of the acquiring side:

[T]here was not a strong enough strategy for what people were supposed to accomplish. It was realized more on a contingency basis (Swedish Strategic planning manager).

Much was at stake in the integration process, especially for the Norwegian top management with its special position as managers of a large local firm with a high tech profile and a significant number of employees. On the Swedish side articulation of the view of the integrated company was not straight forward as a consequence of the need to retain the services of the Norwegian top management. The solution was a dialogue aiming at reaching an understanding (c.f. Habermas, 1981) in an unfolding situation.

This account shows how the conception of “selvstendig bedrift,” while well anchored in Norwegian management history and discourse, also becomes a central building block in the identity and role of the top managers in the Norwegian acquisition. The division head must be seen fighting for the good of the division, but since there is no explicit strategy to attack he must seize on opportunities that occur in the course of the dialogue. Because of the diffuseness of the integration strategy the Norwegian representatives (the Norwegian division head and the BA Quality manager) have to articulate the meaning of ”selvstendig bedrift” as opportunities offer themselves. Usually one can see these opportunities coming by watching how the Norwegian division head gets agitated and speaks with emphasis. The following sequence illustrates one such incident from a meeting in the business area management team.

Video recorded sequence, April 2002

The dialogue takes place in the meetings of the management team for the Business Area, which includes 10 members, four women and six men, including the assistant of the business area manager, moreover the secretary of the meeting. The management team consists of the head of the business area, the heads of the three divisions (Norwegian Division, Jet Engine Components, and Space Propulsion) and five functional staff managers (Business Development/Strategies and Contracts, Controller, Human resource, Operational Development and Communications, and Quality Coordination.), now stationed at the business area level. This structural change was implemented when the company was doing exceptionally well in 2001, before September 11 and its fundamental change effects for air transport.

### ***The setting***

The management team meets roughly once a month in meetings that usually last about five hours. Since an important part of the purpose of the meeting is to develop common understanding of strategic and business issues the points on the agenda have usually been allotted generous time. There is continuous input of information from planning departments (long term market forecasts, new technical developments, management of the strategy process), also the business area manager likes to rehearse his presentations to various corporate committees (like arguing for additions to the capital budget), there are always financial reports, and progress reports on current

projects, and there is always a round where everybody can bring up what is on their mind. During our period of observation the effects of September 11 loomed large since the end customer is the airplane industry. Adam, the business area manager leads the meetings in a relaxed manner, Beryl, his administrative assistant, takes the minutes and reports on events, visits, schedules. Occasionally, the conversation takes the form of a heated and a highly argumentative discussion, but mostly the atmosphere is friendly and informal with frequent jokes.

### ***The sequence***

We are in the first half of the meeting of April 30<sup>th</sup>, 2002. Charlie from Purchasing is invited to the meeting to report on the current status of an integration project initiated to gain synergy through joint orders from the three divisions of the business area. Purchasing is a sensitive issue since there are arguments for centralization to one joint department for this function, while the Norwegian division views such centralization as encroaching on the “selvstendig bedrift” conception and in the long run even endangering the existence of the Norwegian subsidiary. As it is, the purchasing function is divided into three segments (categories of goods), each with a responsible “owner”. Two segment “owners” are located in Sweden and one in Norway. Charlie (Swedish) is talking about a family of components belonging to a segment for which the Swedish unit is responsible. The solution, which is not yet completely fixed, points toward replacing a number of suppliers.

Charlie presents his case. Alfa Steel is a current supplier that is having financial problems. Furthermore, he argues that the Swedish divisions have serious quality problems with the goods delivered from them. Alfa Steel is one of the candidates to be deleted in the package deal he wants to finalize. David (head of the Norwegian division) is quick to interrupt Charlie’s presentation.

#### Legend:

|         |                            |
|---------|----------------------------|
| Adam    | Business Area Head         |
| Charlie | Project leader Purchasing  |
| David   | Norwegian Division Head    |
| Erik    | Jet Engine Components Head |
| Fiona   | Business Area Controller   |

Pointed parentheses are used to comment on what the speaker is doing.

- Sequence begins -

1 Charlie <pointing to the screen; he uses OH projector> Alfa Steel, as you  
2 know.... we have production stoppages among other things,  
<points at the projected diagram, observing the group (for  
4 reactions)>, blanks that are hard to process, and so on..... you all  
5 know about Chapter 11.....and in this situation you in Norway had  
6 not made a decision ..[inaudible]... on how to proceed with  
7 Alfa Steel... so we could sign.. [inaudible] ... this is a bit...  
8 David <breaks in> here I really have.....this is... <David stands up and  
9 starts to move towards the projector>... I brought some papers with  
10 me  
11 Charlie <watches David intently as he approaches, removes his  
12 transparency, steps aside as David takes position by the projector>  
13 [overlapping talk inaudible]  
14 David <while walking> .....this is...as we have said before... here is a...on  
17 this issue we have diverging opinions about what the problem is  
18 <he has reached his position, placed the transparency, turned to the  
19 projected diagram> As I said to XX just before this meeting, and as  
20 we have seen in this meeting <looks pointedly at Charlie, and then  
21 turns to the group> ... Alfa Steel is our , by far, cheapest and best  
22 supplier <turns back towards the screen> ... and we would lose X  
23 million by dropping Alfa Steel <turning to Adam>... AND WE  
24 HAVE A PROBLEM! <takes away the transparency, emphasizing  
25 body language, looks at Adam>...WE HAVE DIVERGING  
26 OPINIONS IN TROLLHÄTTAN AND KONGSBERG <starts  
27 walking back to his seat>.. about several of the purchasing issues....  
28 this is a problem...  
29 Erik is it... is it  
30 Adam but that is..... that is why we will have  
31 a Purchasing Council  
32 David yes, but.. OK but we haven't come very far on this  
33 because now a delegation from here has gone to the USA... on their own  
34 initiative I almost said ..... WE DO HAVE DIVERGING OPINIONS  
35 AND INTERESTS HERE!  
36 Charlie [inaudible] but our conclusion .... but our conclusion  
37 was hat it is really no big problem for you to remain with  
38 Erik [if you]...  
39 Charlie Alfa Steel  
40 Erik put that diagram with Alfa Steel back <points at Charlie  
42 to get his attention, Charlie does as he suggests> ... because is there  
41 something that is wrong in this picture? It would be a good thing if  
42 we could agree about what it says.... <pointing to the screen>.. is  
43 there anything in this picture that is not correct?  
44 David No ...YOU  
45 HAVE A PROBLEM while we do NOT have a problem with this!  
46 Erik No .... but Alfa Steel is sliding towards .... has been under  
47 bankruptcy threat and we cannot live with them considering the  
48 quality they deliver and late deliveries....



49 David ... but we can..  
 50 Erik we can't afford to go on with them, so we have to  
 51 weigh ... how hard does it hit you and how hard does it hit us. And  
 52 then we must see that it does not work that we break with them  
 53 and you continue with Alfa Steel.....  
 54 Charlie [yes, we can]  
 55 David [yes, we can] <Charlie nods towards Erik to confirm  
 56 the correctness of David's statement>  
 57 Adam Yes, well, of course..... I agree about that... that it can be done... but then  
 58 one should REALLY do it eyes open .... a company that has  
 59 been in Chapter 11..... BEFORE the slump hit us.... HOW!.....  
 60 could they MAKE IT over the next three years? Then, we have to be  
 61 pretty sure that they are not sentenced.  
 62 Erik Yes! Yes! They couldn't even pay their electricity bill last fall! That's  
 63 how bad it was!  
 64 Fiona Have you checked <turns to David> what it is that  
 65 differs? Why Kongsberg has a different opinion on this than Trollhättan?  
 66 Adam no..  
 67 Fiona you HAVE to do that!  
 68 Charlie these discussions have gone  
 69 on for some time now.... can I present my package now ... This is...

- End of sequence -

When arriving at the issue of Alfa Steel Charlie shows statistics on stoppages, quality problems, late deliveries (line 2 to 5), but the main argument is that Alfa Steel is in a Chapter 11 situation (has sought protection from its creditors to gain time to find a solution, it is probably going to be a “management buy-out”). He signals uncertainty and points out that in the Norwegian division they have not yet made up their minds (line 5-7) about Alfa Steel when he is interrupted by David.

David walks up to the projector, OH-picture in hand. He uses the same kind of numerical backing as Charlie did, but these figures show that the Norwegian unit stands to lose several millions by giving up Alfa Steel. He sounds confident and takes the position next to the projector (line 15-17) and Charlie moves aside. In his role as division head he talks very convincingly, when he turns to the group and verifies that “we have diverging opinions about what the problem is” (line 15). He seems to get emotional as he claims “AND WE HAVE A PROBLEM!” followed by “WE HAVE DIVERGING OPINIONS IN TROLLHÄTTAN AND KONGSBERG about several of the Purchasing issues.... this is a problem” (line 21-26). David redefines the problem from being about which supplier to delete to one of diverging opinions (He

has changed the “footing” for the discussion, to use a Goffman (1981) term. Adam replies by explaining that this is what this joint Purchasing Council is supposed to deal with.

Charlie breaks in, as he tries to keep focus on solving the problem of Alfa Steel, by offering the solution that, by all means it would be possible to keep Alfa Steel as supplier in Norway (line 36-37). He is interrupted by Erik who challenges David to confirm whether Charlie’s figures are correct or not. David avoids the trap by keeping to a difference-of-opinion theme. This allows him to take a position as defender of the Norwegian business by stating “YOU HAVE A PROBLEM and WE DO NOT have a problem with this!” (line 44-45). Erik follows David’s cue by arguing that “we” cannot live with Alfa Steel. Charlie is now reconfirming his previous statement that Norway can stay with Alfa Steel, and David promptly repeats – “yes, we can”. Charlie confirms with a nod towards Erik that this can be done.

Adam argues that David may underestimate the risk of bankruptcy. Erik promptly supports by reminding the group that Alfa Steel did not even pay its electricity bills for a while. Then Fiona, the controller, tries to bring in a road to accommodation by suggesting that it should be possible to determine what is the factual basis for the difference. Charlie then resumes his presentation. (End of sequence)

#### Interviews, June 2002

This sequence was played back to the participants individually and their comments on “What is going on here?” were solicited.

#### *David*

David’s first comment is that Alfa Steel has always been the cheapest supplier. He claims that the Norwegian company did a study some 4-5 years ago. It was the results from that study he had brought with him on that overhead transparency. The study had been initiated by the main customer who had urged all its suppliers to join forces and used the combined volume to gain price concessions.

David also gives a plausible technical explanation to why Alfa Steel is cheaper. He cannot understand why Volvo “suddenly” has problems with this supplier. He indicates that there are no rational grounds for it. During a visit at the plant in

Kongsberg, David himself had asked a visiting group from Trollhättan, what kind of problems they had with Alfa Steel. They claimed that there were cutting problems. This sounded unbelievable since this is the simplest kind of material to cut. David put pressure on the process guy from Trollhättan who admitted that there really wasn't any cutting problem. There might be a hidden agenda here for Trollhättan, seeking a technical argument to get rid of Alfa Steel, when the real fear is the risk related to the chapter 11 situation, but that situation is over. There is a court decision on how the bids for the company are going to be handled. The decision on who will take over will be taken in late June. In all likelihood it will be the management buyout backed by Bank X and they have said that they want to go on with us. We see no problem with this. It will be easy to negotiate guarantees for 12 months' deliveries. No drama. Erik's arguments about the risk are not relevant. He is new on his job.

When asked if he feels his arguments were listened to David claims that the new owner does not really listen. The Kongsberg operation is doing very well and now they want to move Purchasing to Trollhättan! That would degrade Kongsberg – you have to be in Kongsberg to understand the situation. The Norwegian division was a small part of the old company with 200 years' history with technology and engineers all around. There is a strong technical environment and before you know it young engineers will not want to work with us as a degraded company and just like that we will find they have gone to the other engineering milieus just a couple of hundred meters away. (David repeats the same argument as he used in an interview almost a year earlier.

### ***Erik***

Erik, who, as division head, is David's counterpart in Trollhättan, is the one most involved in the problem with Alfa Steel. His first comment is that positions are pretty rigid here. The background is that there is a delegation traveling in the USA to survey possible suppliers. This delegation was initiated by this problem and it is charged with sorting things out. Norway had nobody to send, so they are not represented. This shines through in the dialogue. Why did they not send somebody? Well purchasing is divided into three different segments, two situated in Trollhättan and one in Kongsberg. This problem is owned by a Trollhättan segment. The guy in

charge of this segment took some quality people with him to the USA. It would have been better, tactically, to involve Norway in this since we know that Alfa Steel is a respected supplier to them. But, well, they felt side stepped and that is why they blow this out of proportion. This is an unnecessary confrontation. The issue came up prematurely and with bad timing. Both Charlie and Erik himself believed that David was informed beforehand, but it seems that he wasn't and he reacted on being cast as an outsider.

### ***Adam***

Adam's first comment is that there seems to be a mix-up. True that Alfa Steel has been in a Chapter 11 situation, but otherwise there have been no problems. It is another supplier, Orion, which has caused problems with late deliveries and quality problems. Adam claims that David is upset because he is not properly informed from home. Charlie's job is to coordinate purchasing between Kongsberg and Trollhättan and he has talked about this with his Norwegian counterpart. The problem is that this information has not been conveyed to David. That's why he is emotional about it. Coordination of purchasing must be solved by dialogue between those who work with it operationally. In most cases there are rational solutions based on facts. On policy issues the Business Area Management Group serves as the arena for problem resolution ("Purchasing Council" - line 30) - like in this case.

### ***Charlie***

Charlie says that what is going on here is that David has a different opinion. The coordination of purchasing by segments has been going on for some time and in this particular case no final decision has been taken. Norway does not want to break with Alfa Steel because it will cost them. It is as simple as that. What Charlie was trying to achieve here was a package deal on a certain family of components where the total business area outcome would be better than the current practice with separate ordering, and where a number of suppliers would be replaced. The segment was not quite ready with Alfa Steel, but had agreed that the Norwegian division could live with them for some time. But Charlie's opinion was that it would be better to replace them in due time. After the Business Area meeting Trollhättan and Kongsberg have agreed that Kongsberg will stay with Alfa Steel until a competitive alternative is presented. But it is also understood that they will leave; it is just a matter of timing.

Interestingly David is selected to present the new solution to the management group. This was no big deal. It is how package deals work. You win on some parts of a package and lose on others.

### ***Fiona***

Fiona, the controller, remarks that this is an emotional situation. If one gets emotional it might block the problem solving process. The problem here stemmed from the fact that Trollhättan had sent a delegation to the USA without David knowing about it, and, secondly, David seemed not to be informed from home. It has turned out afterwards that on the lower levels they had talked to each other and were in agreement. On the first issue the problem was that Trollhättan buys, say, a hundred types from Alfa Steel and five to ten of them are “difficult,” while Kongsberg only buys easy types and has no problem. She claims that David had been given the task to lead the development the Purchasing Council procedures. Charlie’s presentation was a step in that process. David was not prepared and might have been a bit embarrassed.

### ***The others***

The comments from the remaining participants in the meeting mainly interpret the situation as an illustration to the fact that matters on the agenda (or participants) sometimes are not properly prepared before they are brought up. In such situations it is only natural that people, especially the division heads, argue as defenders of their territory.

## **Discussion**

First we see, in the sequence as transcribed, how David, as the foremost representative of the Norwegian division, slips from a statement of “we have a problem” to a statement that “you have a problem,” grasping the opportunity to underline the difference between the two organizations and drawing the line between “we” and “you”. He does this by entering new information in the form of a table of costs that shows that Alfa Steel is costly to abandon. His “performance” is emotionally loaded which renders it sincere (Goffman 1959:28). In this sense David can be interpreted as investing in trust. He impresses on his colleagues that they can “rely on [him] to produce a range of anticipated responses.” (Giddens 1988:276). By

marking differences he will cause other actors to think twice before proposing standard solutions across divisions. David is cultivating “anticipated responses” and in this way influences the way the others will present future proposals. It is not only a matter of asserting influence on the matter at hand (the decision on Alfa Steel). It is also a matter of influencing the context others apply when making sense of information related to the Norwegian division.

Second, it is obvious that participants apply different background conceptions (or “primary frameworks,” to use a Goffmanian concept (Goffman 1974:21)) in sensemaking of what is going on. These primary frameworks come in different degrees of organization. From the loose “lore of understanding,” which might be exemplified by the tendency by those who did not participate actively in the discussion to interpret the situation in terms of whether proper procedure (well prepared decision matters) was followed, to very narrow analytical frames that set an issue up for calculation, like David does by showing an OH indicating that the Norwegian division will lose X million by changing supplier. It goes without saying that the opportunities for misunderstanding abound. The frequency of different understandings will increase with the differences in experiential background – “interpretive repertoires” (Potter and Wetherell 1987). Extended conversation will probably integrate repertoires by establishing common understandings of verbal “boundary objects” (Star 1989) like “sjelvstendig bedrift.”

We can also see, from the summaries of participants’ comments to the sequence that the primary frame chosen (we assume that the individual can choose what frame to mobilize) helps determine what counts as “facts,” as well as their relevance. The chosen frame determines, at least tentatively, the implications (Grice 1989) of what is said. There will be diversity in understandings. For David the loss for the Norwegian operation from shifting supplier is a valid argument while Charlie presents the sum effects of losses and gains from the combined package as the relevant figure. One argues from a territorial frame, the other from a functional one. It is interesting to note that in the ensuing discussion (after the transcribed sequence) David claims that he had attended a purchasing meeting at home the day before where only Alfa Steel had been discussed, not the total package of replacing 15 suppliers in the segment. Charlie expressed total surprise claiming that two of the purchasing managers

participating in David's meeting had participated during the whole process of working out the package. The "package" decision was tabled for final decision at a following meeting.

In the comments given by participants to the video sequence we register frequent use of narratives or "accounts." Those are used not only to justify action or as excuses for failures, but also to bridge over "gaps" between action and expectation, i.e., when what is said does not make sense. A gap is bridged "when either a change in speaking subjects occurs, or when, to put it another way, what one person says or does must be accounted for, made sense of, or responded to in some way, by an other (or by the persons themselves)" (Shotter 1993:33). People are accountable (Schegloff 1992; Shotter 1993) for their action in several directions also in a confined space like the meeting room of the Business Area Management Group. David is expected to know the calculating practices of the Purchasing discourse and starts his argument by showing the slide with costs for abandoning Alfa Steel but manages to turn the situation into one of differences of opinion (everybody is entitled to an opinion). When Fiona, a functional manager, tries to bring the discussion back to a factual basis she is, largely, ignored. Or does everybody see that the matter can be resolved by sorting out facts?

## Epilogue

In the summer of 2002 an extensive, business area wide, cost reduction and efficiency improvement project was launched. Its goal was to make the organization well positioned just in time for the next business cycle upswing. It was repeatedly pointed out that the project work must be carried through with the aim of benefiting the organization as a whole, operationally and strategically. In order to regain lost competitiveness all efforts must be focused on the task of efficiency improvement, no sub-optimizations due to internal politics or purposes other than promoting the good of the organization as a whole would be accepted. A consequence of the distinct task focus was that the underlying question of independency for the Norwegian unit never emerged. The prevailing market recession had created opportunity and legitimacy for improving efficiency and realizing potential synergies. Issues that had previously been put on hold because of their sensitive nature - for example

concerning product specialization and manufacturing allocation of product groups in the Swedish and Norwegian units – were back on the agenda and discussed in a constructive way.

In March 2003 the organization was ready to begin implementing the various potential efficiency improvements that had been identified. But the implementation was delayed because of yet another re-organization, initiated by the CEO and involving primarily the managerial top levels of the company. The overall aim was presented as intending at creating a more functional organization structure. The business area was extended to include the division for military engines. The BA-Manager was moved to the position as Production Manager while the CEO took also the position as BA-Manager. The main advocate for the idea of independence for the Norwegian unit, its Managing Director, was moved to the more “neutral” position as Marketing Manager for the business area.

Still, five years after the acquisition (78%), the issue of independency remains important at the Norwegian subsidiary, as manifested in the way visitors are welcomed to their Internet site.

Welcome to Volvo Aero Norge. Volvo Aero Norge (VAN) is an independent company with a solid ownership structure. The owners are Volvo Aero Corporation and United Technologies, Pratt and Whitney  
([www.volvo.com/volvoaero/global/en-gb/aboutus/locations/VAN+Kongsberg](http://www.volvo.com/volvoaero/global/en-gb/aboutus/locations/VAN+Kongsberg), 2003-10-25).

## Conclusions

This study has focused on one anchor for sensemaking in a merger between a Norwegian and a Swedish company. It was shown by historical evidence as well as from interviews and video recordings that the idea of “selvstendig bedrift” (independent and self-sufficient company) is central in the argument of Norwegian managers on joint problems. This conception, which also included the idea of an independent board of directors inside the network of subsidiaries in a global corporation, does not seem to bother people solving “real” problems on the operational level, but constitutes a basis for structural rhetoric.



The lack of explicit strategy for the integration of the acquired firm (retaining the existing leadership was a primary concern) made it difficult for the “acquired” leaders to articulate an identity against, or as contrast, to “the other.” There was a saying, or a myth, that Swedish companies buy Norwegian ones and close them down. This would provide a nice setting for staging a hero fighting that monster. An alternative version, referred to in interviews, was that the owner company takes decisions to look good on the stock exchange, not for the good of the company. The ugly “other” was, however, not easy to use as the new owner company staged itself as “nice.” Still the conception remains embedded in the interpretive vocabulary (Potter and Wetherell 1987) and can be mobilized in a contingent manner. This is illustrated by the excerpt from a video recorded Business Area management meeting and the comments to it by the participants. When there is variety in the understandings of a situation (whether or not to replace a supplier) the “nationalist” con-text can be mobilized.

A first lesson to learn from this is that a speaker in a management group should pay attention not only to the logical presentation of evidence given her/his frame, but should also consider what other frames could be mobilized in a discussion. It is not enough to mobilize the evidence but also the relevant frame.

The second, and more disturbing, lesson is that it seems like the idea of “shared understanding; shared values; shared information” is a problematic one. It is more likely that the diversity in primary frames in a group of managers may become more pronounced than “integrated” through interaction. A common understanding, meaning that frames overlap (or are “shared”), may be a goal for integration, but it must, or so it seems, be a very long term goal. Instead current integration and problem solving should focus on “group polarization” where individuals in a group reach agreement on common judgment in the form of a “defensible” position on complex issues. Defensible in the sense that arguments referring to central conceptions (like ”selvstendig bedrift”) of relevant constituents are articulated. In time such arguments may be institutionalized. That is when integration has been achieved.

Arguments for this “non-cognitivist” conclusion we have found in our interviews with the participants in the meeting. Participants were asked to give role descriptions

of the other members of the management team. Even if people were reluctant to give such statements the rudimentary role descriptions that were given seem to back up the claim that the roles/identities that people develop in the team provide an area of joint judgment construction. My role in the group permits me to go along with certain judgments but not with others. The social construction of judgment should be in focus rather than “cognitive tuning” (Zajonc 1960).

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