

# Tales of Trial and Triumph

## A Narratological Perspective on International Acquisition

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# **TALES OF TRIAL AND TRIUMPH**

## **A NARRATOLOGICAL PERSPECTIVE ON INTERNATIONAL ACQUISITION**

**An essay written for Cooper, C. & Gregory, A. (Eds.): *Advances in Mergers and Acquisitions*. London: JAI Press.**

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## BOUGHT BY THE BRITISH

### A SHOP STEWARD'S NARRATIVE ABOUT AN INTERNATIONAL ACQUISITION

I started working here at Fonodan<sup>1</sup> in 1987 as a cleaner. I worked as a cleaner for three years, and then, when the company expanded, I applied for a job in production. I've been in production since, and we've had our ups and downs. That's the way it is - in electronics, anyhow. It goes very fast, sometimes up, sometimes down.

Previously, there were often difficulties with the delivery of components - we didn't get them in time. So it was not unusual or frowned upon for us girls in production to do crosswords or knit if there wasn't anything to do during working hours. Also, we had a bonus system with bonuses paid out to each section. This meant that there was a kind of barricades between the sections - people wouldn't go to another section to help out even if they didn't have anything to do. We knew that Fonodan wasn't going well, but we were hoping that somebody would invest in the company.

But in August 1993 we got a big shock. Everybody was summoned to a meeting in our canteen. There, a lawyer briefly told us that the company had no money left and had to send us home. Afterwards, we were sort of stunned - we didn't know what to do. Some went home right away, but a lot of us stayed on and talked for hours. Some even cried. What happened after the suspension of payments was just terrible. Fonodan was a big company in a small community. Everybody was out of work, shops in the village closed, and so on.

We were all excited when we learnt from the papers and TV that Electra was getting involved. As for me, I began looking in the papers to see if I could find anything about British management and working conditions in British companies. There were some horrible rumours, but they turned out to be totally wrong. I was expecting that we'd really have to toe the line, that it would be much stricter. But it was all just a lot of prejudice.

Anyway, after Electra had taken over, I contacted the new Fonodan Telecom and asked if there were any jobs. I felt lucky to get a job again. A lot of us were employed again, - and

many of the middle managers, too. The two former shop stewards from our union were not employed again, though. I know that one of them wasn't interested and didn't apply, but I'm not sure about the other one. She wrote something in our local newspaper about being left out in the cold, but I don't think she's being fair to the company. Still, I don't know exactly what happened. And I know that the shop stewards from the other unions have been reemployed. Anyway, the girls elected me as shop steward right after I had started working here again.

The greatest difference I experienced was that Electra had cut down on cleaning, and there was no longer free coffee. Well, and then we are also paid less than before - actually, now, we get less than workers do in other companies in this area. But the pay system is better now, because everyone is paid in the same way - by the hour. We have no bonus system now, and there are no barricades between the sections. The girls say that it is better now, though they get less money - but they are more satisfied because they help each other more and feel welcome in other sections. They understand more about what's going on that way. Now, some girls are laid off if there isn't anything to do in the production. But we are content with that - it is unsatisfactory to sit around and do nothing. And it was also too expensive for the company. We realise that the electronics industry is extremely competitive, and if the company does well financially, we can feel more secure in our jobs. Before, we may have been a bit spoiled - we also had more benefits, in connection with illness, for instance. Still, we are satisfied. And during our local negotiations, we got many of our benefits back. We were not clever enough to get all of them back, though. But we will try again next year. Otherwise, things go well, and we can talk about most things just like before.

We started a smoking policy from April 1<sup>st</sup>. Some people felt that the new human resource manager had made a bad decision, and that it was just terrible. Everything new is somewhat difficult. But they say that visiting customers don't like smoking, so we will have to accept it. If we don't have any customers, we have no jobs either.

I am now member of the co-operation board. Danny [the expatriate CEO] is so open and frank. He has put his cards on the table. And the way I see it, he saved us, didn't he? If Electra hadn't bought Fonodan, we'd still be out of work. I think he ought to learn Danish now that he works in Denmark, though - but he is not interested in that. So the board meetings are in English, but it's no problem, really - though my English is not that good. Danny's secretary

translates if there is anything we don't understand - I just have to say "stop - stop - I don't get it".

## INTRODUCTION: WHY A NARRATOLOGICAL PERSPECTIVE ON INTERNATIONAL ACQUISITIONS?

What you have just read is the narrative of an international acquisition - but of course just one version among many others. This narrative was told to the authors by a shop steward – a woman in her 40s – in March 1995. The HRM manager, the British expatriate CEO, the development engineers and everyone else involved all had their own accounts of what had happened - different in some ways, similar in others. But all told in individual voices and representing events as seen from various positions and points of view.

Often, when you read studies of mergers and acquisitions, you wonder whose voices are heard in accounts about success and failure. It is probably safe to say that most studies have a managerial tilt, and that managers' narratives and the public story-telling of what has happened in an organisation (e.g. press releases, annual reports, web-sites) may well conflict with and marginalise some voices while privileging others. We find that one of the forces of a narratological approach on acquisition is that it is well suited to give voice to a wide range of organisational actors, and to show in which ways their interpretations of organisational reality may correspond and differ. It enables the researcher to see the organisation in an integration perspective, in a differentiation perspective, and in a fragmentation perspective (cf. Martin, 1992) at the same time. That means to see both that which is agreed upon by all members, that which is shared within certain groups only, and that which is fragmented and ambiguous.

A narratological perspective - especially when combined with a longitudinal approach - seems to us to be well suited to clarify changing patterns of identification, justification, and causation that often prove crucial to the outcome of post-acquisition integration processes. This approach is also useful when it comes to assessing to which extent its members share a certain understanding of what is going on in the organisation.

In the following, we intend to focus on a telecommunications company in Denmark. This company was first acquired by a British concern, and then, after four years, by a German

concern. We have followed these developments closely and have collected a considerable number of narratives about the organisation and the organisational changes that took place. These stories have been related to us in interviews with numerous organisational actors at different hierarchical levels and at different points in time over a period of 6 years. Some are told in an emotional voice, others in a more distant tone, but all have plots, motives and characters.

Before we revert to the company we have studied, we would like to elaborate on our theoretical point of departure.

## THEORETICAL PERSPECTIVE

### **What is a narrative?**

Narrating is a fundamental human activity, a mode of thinking and being, so to speak. We constantly tell and interpret narratives (cf. Currie, 1998). We organise our experience and our memory of what has happened to us mainly in the form of narrative – stories, excuses, myths, reasons for doing and not doing. We tell narratives in order to understand our own lives as well as those of other people (cf. Polkinghorne, 1988). Still, individuals are not the only authors of the narratives they tell. The telling of narratives is a social act and thus involves some degree of negotiation with the interlocutors about positions and meanings. This is also true for the stories that we have been told as interviewees studying international acquisitions. Narratives should not be seen as representing reality, but rather as constituting the narrator's reality.

In this paper, we will use the terms “narrative”, “story” and “tale” interchangeably, but in the theoretical literature the term “narrative” is usually preferred. In our working definition of a narrative we have chosen to focus on four essential characteristics (cf. Bruner, 1991):

1. A narrative is an account of events occurring over time
2. Narratives are retrospective interpretations of sequential events.
3. Narratives focus on human action – the action of the narrator and others
4. Narrating is part of identity construction.

Re 1. A narrative is an account of events occurring over time:

Any narrative has a chronological dimension, which shows that it is made up of events along a line of time. Events can be defined as "the transition from one state to another, caused or experienced by actors" (Bal, 1985, p. 13). An event is a process, an alteration. In a study of narratives of individual lives Horsdal (1999) describes their temporal aspect in this way: "We create meaning in the movement of life by experiencing it as a series of events, a narrative. We interfere with the course of time with beginnings and endings which enclose and demarcate a sequence, so that we can ascribe meaning to it" (p. 27, our translation).

Narratologists often distinguish between "discourse time" - the time it takes to hear or read a narrative - and "story time" which is more like "real time" or "clock time" and refers to the actual duration of the sequence of events narrated. The relationship between "discourse time" and "story time" is important when we interpret narratives. Crucial events are typically narrated in more detail - as a scene instead of just a summary. Thus, "discourse time" approaches "story time" in the narratives' focal points (cf. Chatman, 1978; Genette, 1980).

Re 2. Narratives are retrospective interpretations of sequential events:

A narrative is composed of a sequence of particular events that are given meaning by a plot - this is the basic means by which events are connected into a meaningful whole. The author/the narrator imposes the plot on the events when he/she selects, prioritises and orders the events from a certain point of view and in a particular context determining the delineation and demarcation of the course of events. Plot involves a temporal ordering of these events which suggest a connection between them. This connection may be a causal relationship. When a narrator tells of an event he/she relates the event to a project and thereby integrates it into the plot. Thus he/she reflexively makes sense of the course of events.

Re 3. Narratives focus on human action – the action of the narrator and others:

Narratives are about people acting in a setting, and the happening must be relevant to their intentional states – their beliefs, desires, theories, values – while so engaged. Thus what happens is typically explained by the consciously intended doings of actors - we might say that their actions are emplotted and thereby become events in the narrative. In the narratives we will analyse in the following, the narrators themselves (our interviewees) are also actors - they are simultaneously embedded in their account and displaying an awareness of their own roles in it while telling it to us. In addition to the general term "actor", some narratologists



also use the more specific term “character”, and the two are not quite interchangeable (cf. Bal, 1985). Whereas the term “actor” normally emphasises a structural position in the plot (what is done? - Which actions are carried out?), the term “character” denotes a more complex semantic unit. A character resembles a human being more, so to speak. It is described by deriving a collection of more or less coherent traits from the narrative (what is he/she like? - How can we characterise him/her?).

Re 4. Narrating is part of identity construction:

The narrators adopted identity has a central influence of the narrative being told, and in turn, the narrative helps the narrator constructing, reinforcing or changing this identity. It is not something we do alone - we share our stories with others and adjust them to their reactions. Throughout our lives, we continually develop, tell and sometimes even write our autobiographies (cf. Horsdal, 1999; Lieblich, Tuval-Mashiach and Zilber, 1998 for examples of research in individual life narratives). The identities we create in this are manifold: It may be a professional identity as an engineer, an organisational identity (we from Fonodan...), a regional identity (we from Northern Jutland...), a national identity (we Danes..) or a gender identity (as women at the production line we...). This is close to Weick’s argument that sensemaking is grounded in ongoing identity constructions (cf. Weick 1995).

We use narratives to create or support identities in various manners. Individuals speak of their experiences by converting them into coherent accounts - stories centred around a self acting more or less purposefully in a social world. Families sometimes create a corpus of connected and shared tales. Nation states might invent traditions based on narratives of certain happenings and then endow them with privileged status (cf. Hobsbawm and Ranger, 1983).

At the intermediate level, companies and other organisations may also turn past events and future plans into stories and thus endows actions that take place in the organisation with meaning(s). In this way, they engage in a quest for sensemaking similar to individuals' quests for meaning in their lives (cf. Czarniawska, 1997). Like humans, organisations need a narrative of themselves that is at least to some extent coherent. This need for organisational narrating is probably felt more strongly in times of challenge and turbulence, for instance in connection with a merger or an acquisition.

### **What is narratology?**

Narratology is the theory and systematic study of narrative (cf. Currie, 1998). It began as a science of narrative form and structure in literature studies and has been developed throughout the twentieth century. The Russian scholar Bakhtin studied in the 1920s different voices in Dostojevskij's novels and created the concept of "polyphony" to describe this (cf. Bakhtin, 1981). Another Russian scholar, Vladimir Propp, studied the morphology of folktales (cf. Propp, 1968). And the French scholar Greimas developed Propp's concepts in to the actantial model, which we will come back to later.

But later on, the discipline diversified into several other fields. In the 1980s, narratology underwent a transition from the almost exclusively literary formalist and structuralist approaches into a theory complex applicable to narratives wherever they can be found, not only in literature. The scope of narratology was massively expanded into the new-born discipline cultural studies, and narratologists began analysing for instance films, advertisements or jokes (cf. Currie, 1998).

There has also been an increasing recognition that narratives are central to our representations and constructions of identity. Narratives in personal memory and self-representation have been studied by for instance Jerome Bruner (1990) in his *Acts of Meaning*, a seminal work within cognitive psychology. The importance of narratives in studies of collective identity has been stressed in work of how the identity of regions, nations, race and gender are being constructed and constantly negotiated and changed.

There has also been widespread interest in narrative in history: the best known work here is probably Hayden White (1973) *Metahistory. The Historical Imagination in Nineteenth Century Europe*. This work emphasises the discursivity of history, i.e. how our oral and written historical accounts are made up of different discourses, representing certain interests and narrating from a certain point of view (cf. also White, 1987).

In business-related disciplines, narratological perspectives are found as well. In marketing, researchers sometimes speak of narratives connected to products or company images, for instance (cf. Olins, 1995). But in this context, we are, of course, particularly interested in organisational studies, where the interest in narrative has grown over the last 10-15 years (cf.

Grant, Keenoy, and Oswick, 1998; Czarniawska, 1998). One of the best known researchers in this area is Barbara Czarniawska who has - among other things - done a study of tales from different organisations in the public sector in Sweden (Narrating the organisation. Dramas of Institutional Identity, 1997).

Czarniawska (1997) distinguishes between three types of narratological approaches to organisation studies:

1. Narrating organisations, referring to research written in a storylike way. This is typically cases, “tales from the field”, where chronology is the main ordering device (e.g. Gertsen and Søderberg, 1998a; 1999a; 1999b).
2. Collecting organisational stories. In the 1980s, organisation studies that treated stories as artefacts predominated (e.g. Martin, 1982). More recently, the trend has moved towards an interest in the process of story-telling as never-ending construction of meaning (e.g. Boje, 1991).
3. Organising as narration. This refers to interpretative research that conceptualises organisational life as story making (e.g. Czarniawska, 1997). Here, story-telling is seen as a natural form of organisational communication. The approach involves story-telling interviews, which are interpreted by the researcher. These interpretations result in an array of alternative or competitive stories that may be used to broaden our understanding of organisational processes and possibly to engage in a continued dialogue with the field.

In this paper, we take the last approach and view organising as narrations. Although we have so far only had limited opportunity to bring our interpretations back to the interviewees in the field, we hope that our interpretations will enable us to come up with an enlightening range of stories. For practical reasons, we are not able to print the stories here in their full length, but hopefully the exemplary narrative told by a shop steward gives some idea of what they may look like.

## EMPIRICAL MATERIAL AND METHODOLOGY

The company which was originally called Fonodan is situated in a small community in Northern Jutland where it develops and produces mobile phones. It was founded by a small group of Danish engineers in 1980 and expanded from 44 employees in 1981 to 870

employees in 1990. Management of the growing company was characterised by an R&D-focused entrepreneurial spirit and a consensus-oriented decision-making style.

From the very beginning the majority of Fonodan's products were sold on export markets. When the management learned that a new pan-European telecommunication standard, the GSM system, was to be established in 1992, they decided to develop a GSM phone together with Northcom, another local producer of mobile phones. This joint development project was technologically successful, but it proved extremely costly.

In 1993, after several years with severe financial difficulties, the company had to suspend its payments. As soon as this was announced, Fonodan's 30 R&D engineers met and discussed the fact that there were only 3-4 GSM R&D groups like them in Europe. This obviously made them attractive as a team, and they decided to stay together for a month to investigate their possibilities, even though most of them had already been offered jobs in other companies. During this month they contacted several potential purchasers. One of them was the British trading company Electra whose owner wanted to diversify and had for some time been planning to enter the expanding telecommunications market.

Electra almost immediately decided to buy Fonodan and sent a British managing director and a couple of other managers from their headquarters to Denmark. Marketing and sales were relatively weak points in the company, and the new management made great efforts both to improve the company's commercial strategy and to enter into long-term contracts with telecommunication network operators on the European market. Electra was able to purchase components for Fonodan at lower costs, and also invested in new machines for semi-automatic production. Extensive plans were made for mass production and the building of a new factory, but it turned out to be harder than expected to make profits, and the plans were postponed.

In 1997, after almost four years under British ownership, the German multinational industrial group, Gerhard Strohm GmbH, bought the company. Today, the managing director and most of the other managers are Danish, but there are a few German managers as well. A new production plant aimed at mass production has been built, and in addition, Strohm Telecom has invested considerable amounts in research and development. Since the German

acquisition the number of employees in the Danish business unit of Stroh Telecom has increased from 750 to about 1500. In a country where most companies are small or medium-sized, this company is at the moment the biggest in Northern Jutland.

When we started our empirical investigations, we decided to interview not only the top management, but also a large number of employees on different levels: e.g. unskilled workers, shop foremen, secretaries, R&D engineers, accountants, human resource managers, sales people and many others. We have also interviewed representatives of trade unions and local trade councils as well as the director of the regional science-park to get an impression of the company's interaction with the local environment before and after the international acquisitions. Our perspective is mainly that of the acquired company. However, we also had the opportunity to interview expatriate managers sent to Denmark by their head offices (cf. Gertsen and Söderberg, 1998a; 1998b; 1999a; 1999b; Gertsen, Söderberg and Torp, 1998 for more results from our research on international acquisitions in the Danish electronics industry).

We have carried out fieldwork every year in the period 1994-99. In this way, we had the chance to follow developments and shifting interpretations in the company over a long period, even though, of course, we only got "snapshots" of a long course of events. Most of our interviews were narrative in nature; i.e. we encouraged our interviewees to describe their situations in their own words with as few interruptions from the interviewer as possible. We also collected what was written about the company in the Danish newspapers and had access to other written material: annual accounts, web-sites and the like.

As you can imagine, our case company has gone through quite a lot of crises and changes. Changes are always part of daily life in organisations, but they tend to be especially comprehensive, sudden, and sometimes dramatic in international acquisitions. In our interviews, we have observed that in turbulent and challenging situations, most organisational actors, but in particular the managers, feel a special need to account for their past, present and future actions. They want to justify the actions to themselves and others, to control the situation (at least in their minds), and to plan ahead. These accounts are often communicated in a narrative mode as the actors try to make sense of what they do and what is happening to them and the organisation.

We do not interpret these organisational narratives as accurate reports of actual events. We rather tend to see them as tales about various actions and events that are given a certain meaning by our respondents as part of the plots they are continually constructing and revising. Still, a narratological approach does not mean that the phenomena studied are seen as entirely fictitious. The narratives studied have a basis in material reality, even if we have no unmediated access to this reality; i.e. we can only form an idea of what has happened in the organisation through the narratives we hear.

## NARRATIVES OF A TELECOMMUNICATIONS COMPANY IN DENMARK

### **THE BRITISH ACQUISITION - THE ELECTRA ERA (1993-97)**

As a point of departure for our analyses of selected narratives, we have chosen to use a narratological model from structuralist literary criticism.

A.J. Greimas developed his actantial model (on the basis of Propp's analyses of folk tales) in *Sémantique Structurale* (1966). An actant is a structural unit or a function, not necessarily represented by a person (a character). The actant may also be an abstraction or an institution (e.g. success, the banking system).

Greimas posits 6 actants in three pairs of binary opposition, which describe fundamental patterns in narratives:

subject/object: desire, search or aim

power/receiver: transport, communication

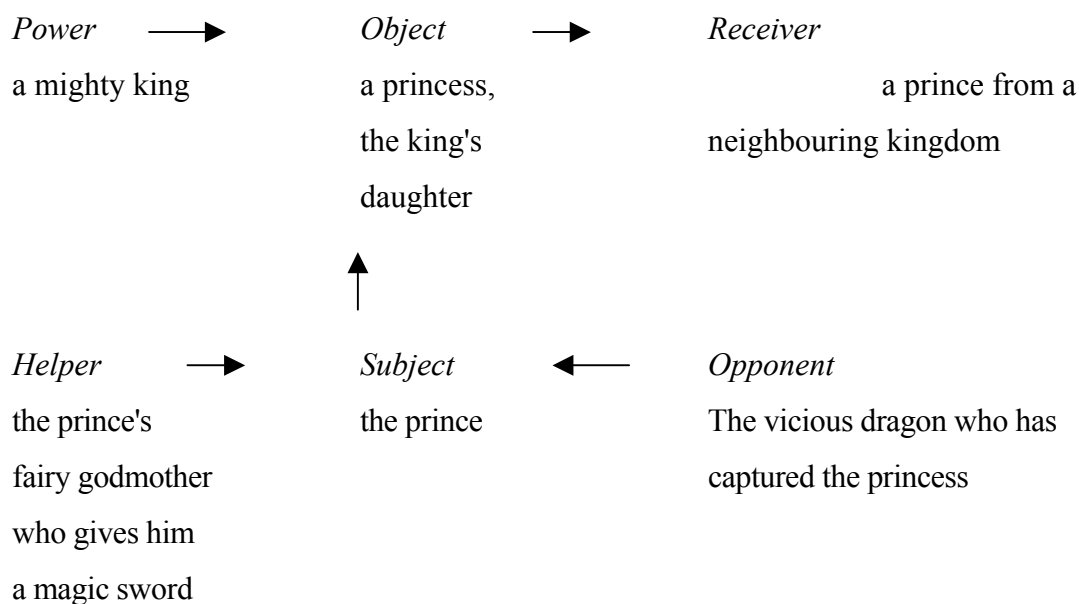
helper/opponent: auxiliary support or hindrance

The subject-actant is following an aim, aspiring towards a goal (e.g. a prince fighting a dragon to win the princess; a manager working hard for his company's survival). The object-actant is not necessarily a human being (though it may be - e.g. a princess in a fairy tale), it can also consist in reaching a certain state (wisdom, profitability, an increase in salary). The power-actant (sometimes called the sender, but this term suggests an active participation, and this does not always apply). The power may be person (e.g. the king; the chairman of the

board) but is often an abstraction (e.g. fate, cleverness, society). The receiver-actant is often the same person as the subject-actant, and in the case of empirical narrative, frequently identical with the narrator. The helper-actant and the opponent-actant may similarly be either persons or abstractions - benevolent or malevolent in the quest for the desired object. (I.e. the helper may be hard work, a fairy godmother, a creative accountant. The opponent may be laziness, a vicious dragon or a strong competitor)

Greimas' actantial model is structural: it describes the relations between different kinds of phenomena, not, primarily, the phenomena themselves. Its assumption is that fixed relations between classes of phenomena form the basis of the narrative.

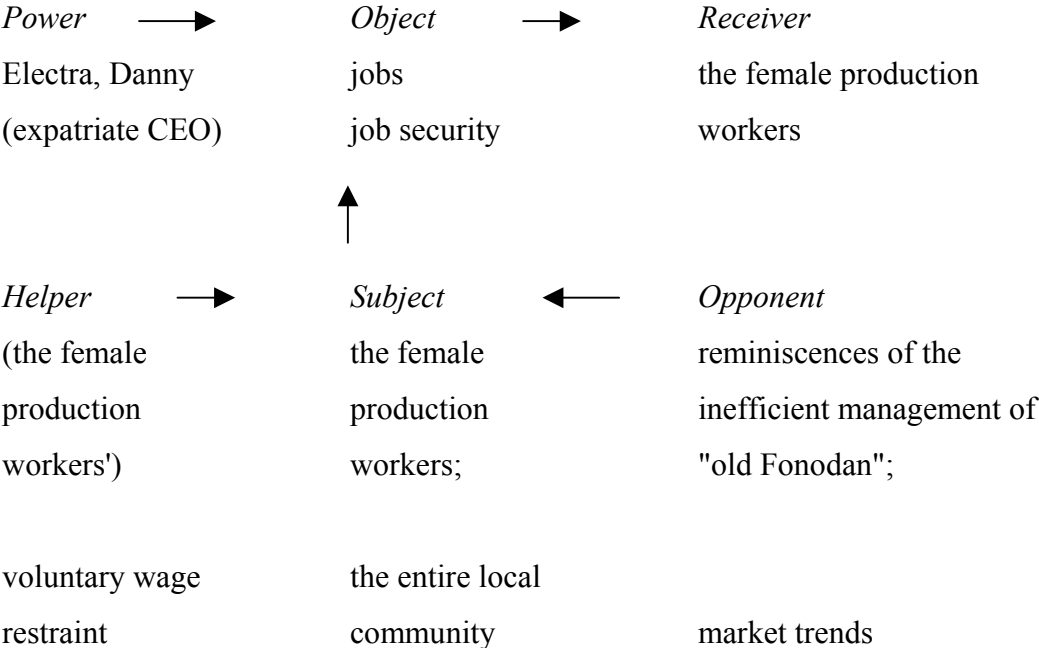
Actantial model (applied to a typical fairy tale of a prince who fights evil to free a princess and receives her hand in marriage from her father, the king):



The actantial model was developed to understand the structures underlying literary fiction. Though naturally, the narratives studied here do not demonstrate the premeditated complexity or depth found in much fiction, there is no structural difference between fictional and empirical narratives. Therefore, we believe the actantial model can also elucidate how employees and managers understand the organisational change processes they are involved in after an acquisition and throw light at changing interpretations of their own role as well as of the challenges that the organisation meets.

In the following, we will attempt to apply this model to some of the stories of Fonodan - first, the narrative told by the shop steward in the beginning of this paper.

**The shop steward's first narrative - March 1995**



The shop steward, Jonna Jensen, a woman in her 40s, organises her narrative in a series of events and selects certain happenings as crises or transitions important from her point of view. These events are described in greater detail, for example the day when all employees are gathered in the canteen to be informed about the suspension of payments. At such a stage in the narrative, “discourse time” expands, and the narrative becomes more scenic. In situations of threat, trial and transition the stop steward tells more about her own and the other workers' feelings and thus appeals to the listener’s sympathy.

The shops steward speaks on behalf of all the female production workers - they are the subject of her narrative. She does not draw special attention to her own actions and tends to use the personal pronoun "we" rather than "I" ("We knew that Fonodan wasn't going well", "we got a big shock", etc.). She clearly identifies with the group of female workers she represents, though this does not mean that she is in opposition to the British managers, on the contrary. In her narrative, the workers all desire the same thing: jobs and as much job security as possible.



To some extent, she even includes the entire local community of Pandrup in the subject. Fonodan's suspension of all payments was truly a traumatic event, which had a massive impact on the small community since hundreds of employees lost their jobs overnight. Therefore the object - secure jobs - are not just desired by the workers, but by all who depend directly or indirectly on their income.

The receiver is identical with the subject, and the power providing the desired object is clearly the British acquiring company Electra. The British CEO represents this power - he is the hero and the saviour in Jonna Jensen's story. The shop steward does not seem to distinguish clearly between Danny Allen and the acquiring company Electra where the decision to buy Fonodan was made: "And the way I see it, he saved us, didn't he? If Electra hadn't bought Fonodan, we'd still be out of work."

The former management is pointed out as the culprit: it was at least partly because of their inefficient leadership that the workers lost their jobs. The helpers are indicated rather vaguely, but we note that the workers' own voluntary wage restraint is mentioned as something that might make their jobs more secure. Still, it is not emphasised as a crucial fact and could not by itself have brought about the desired object - the central agent in the narrative is obviously Electra.

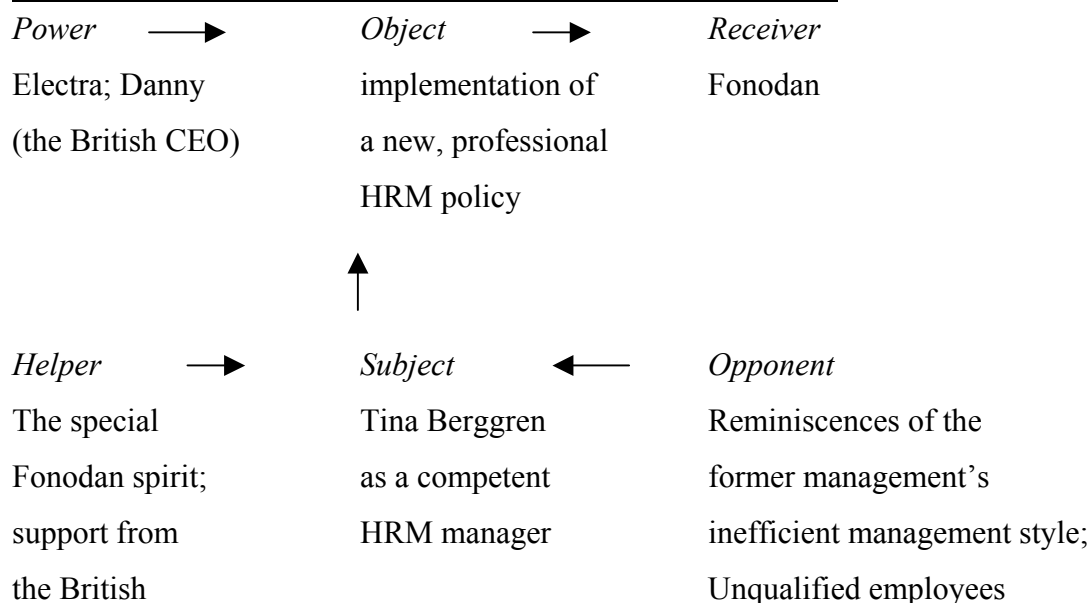
In the shop steward's story, the workers are rather powerless themselves. She sees herself and the other workers as agents only to a very limited extent. They do not make things happen - things happen to them. Her world-view is moreover fatalistic, the workers are not responsible: "That's the way it is - in electronics, anyhow. It goes very fast, sometimes up, sometimes down". Generally, she tends to accept the situation as it is: "Everything new is somewhat difficult" is her soothing remark about the smoking policy, which has provoked some resistance from other workers. Obvious difficulties such as board meetings in English and partly unsuccessful negotiations are met with comments such as: "it's no problem, really", "Otherwise, things go well" and "we can talk about most things".

Even though she is not only shop steward, but also member of the regional executive committee of the Female Workers' Union, we can hardly hear the voice of a trade union

representative. Cuts in wages and benefits are met with the attitude: "Before, we may have been a bit spoiled" and "we were not clever enough to get all of them back". Here, she takes a very (self-)critical perspective on the workers and their actions. She actually describes it as the workers' own fault that they did not get a better result during the negotiation between union representatives and employers. She might instead have blamed the British employers for being unfair and unwilling to see that the workers' demands are reasonable and in line with working conditions in other Danish companies, for instance. By adding that the workers used to be "spoiled" (i.e. the incompetent former management spent too much money on them), she even - on behalf the group - accepts part of the blame for the suspension of payments. These examples show that she shares interpretations of some events in the former Fonodan with the human resource manager, in fact her counterpart in the local bargaining.

We also note that the shop steward tells her tale with some pathos and in an emotional voice. She explains how she and the other workers felt at various points in time: They "got a big shock", "cried", felt "excited", "satisfied", etc. She focuses more on feelings than on attempting to explain what has happened in terms of causal relationships. This is hardly just a question of narrative style. It also indicates that from her point of view, certain causal relationships concerning the company's successes and failures may not be visible at all

**The human resource manager's first narrative - March 1995**



Tina Berggren is a younger woman in her early 30s. Her first narrative is told in a very energetic and optimistic voice. She has been with the company for several years, but has only recently been promoted by the British CEO from a relatively modest administrative position to her present job as a human resource manager. She is enthusiastic about Fonodan which has "always been known as a great place to work; there is a special spirit here - zest and openness."

She does not hesitate to place the responsibility for Fonodan's suspension of payments with the former management's lack of financial control: "They were very spendthrift [...] - their cash box was always open, so to speak". But she is confident that the new management is in the process of getting finances under control. She also tells us that "Electra realises that Fonodan's relationship with its employees is crucial. Therefore, Danny asked me to work out a new personnel policy for our company by myself, and I'm now busy implementing it". In fact, the successful implementation of this policy is her object.

She feels that the lack of professional HRM has been a problem and that more emphasis must be placed on the employees' personal and professional development. She tries "to make it clear to them that it is their own responsibility to stay qualified, for instance by attending various types of courses". Most are interested in doing so, but a few seem unwilling to learn and want things to stay the same. Still, although there is a lot of work ahead, Tina Berggren believes that she - with the good company spirit and with the experienced and charismatic CEO Danny Allen as helpers - will be able to move the company in the right direction.

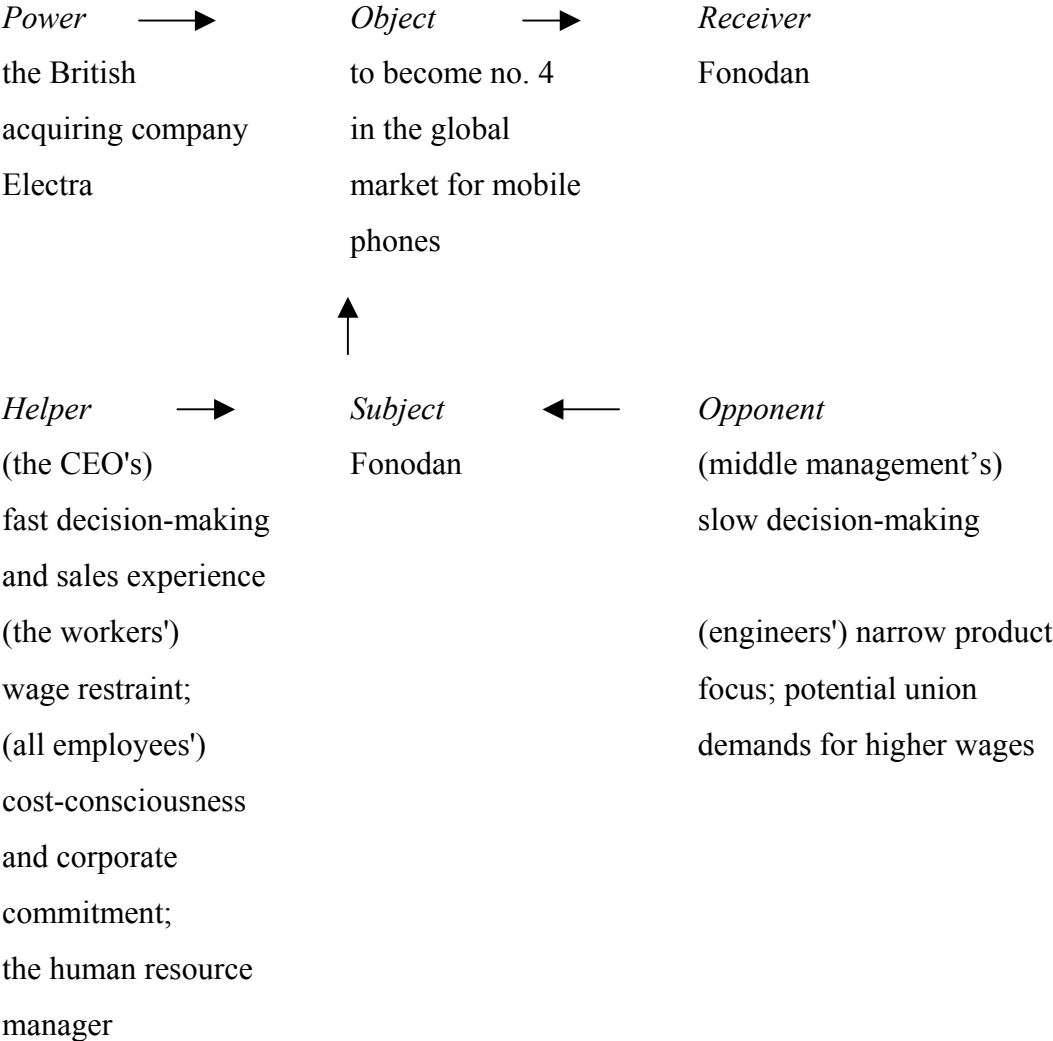
It is clear that in this narrative, the human resource manager identifies strongly with Fonodan, with the new British owners and the British expatriate CEO (Danny). She expresses admiration for the CEO and appreciates the career opportunity he has given her. But she also feels that she - with a university background and longer experience in Fonodan - can be of considerable assistance to him. She emphasises that she is theoretically up-to-date and familiar with the newest ideas in HRM.

She distances herself from the former Danish management and from employees who are not sufficiently qualified or not willing to learn and develop - personally as well as professionally. As she sees it, this is absolutely necessary in order to work in a professional

high-tech company in a highly competitive industry, and those that do not realise it are opponents to her project.

**The British CEO's first narrative - March 1995**

Next, we will look at the first story told by the British managing director, Danny Allen, who was sent to Pandrup by the British Electra from late 1993 to 1997. He is a self-made man in the mid 50's with a long career in sales and management in Electra, including some international experience.



Danny Allen has as CEO a well-defined object: to make Fonodan number 4 in the global market, and he is confident this will happen: "We have the right product and I know from my experience that this product is ripe". He believes in his own abilities as a businessman, manager, and salesman. He is also pleased with the commitment he sees among his

employees - a commitment which is also expressed in the workers' wage restraint and the generally high level of cost consciousness after the shock produced by the suspension of payments. With these things to help him, he is convinced that he can reach his goal.

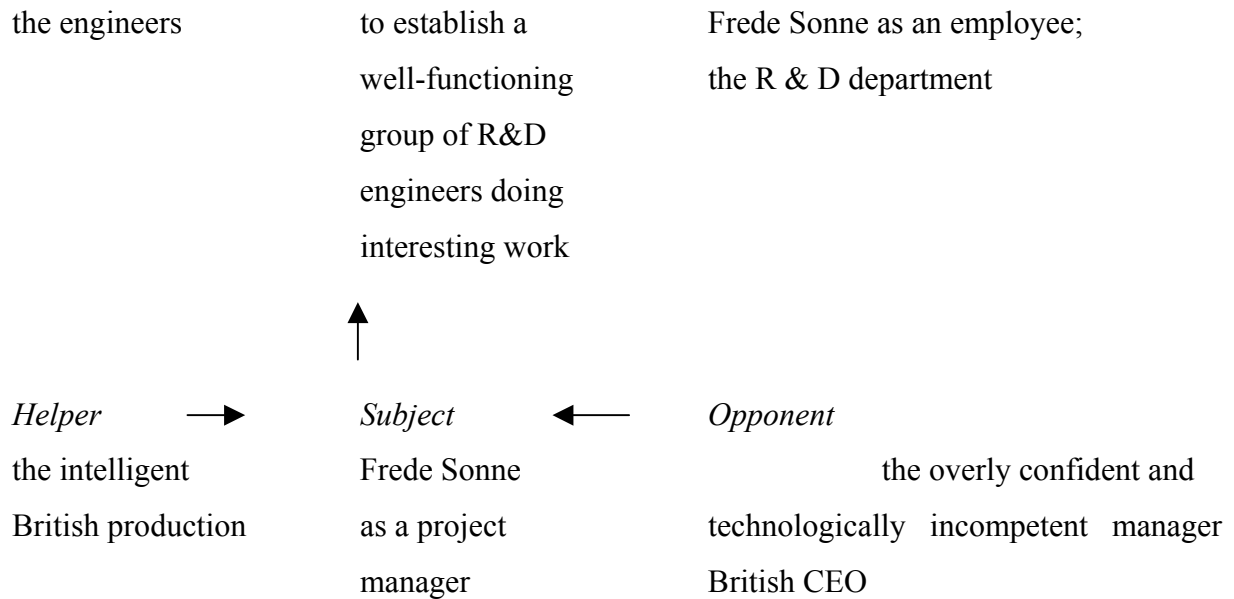
The British managing director sees himself as a decisive agent when things go well. He describes himself as strong, experienced, dynamic, an international businessman, and he adds: "I have a strong personality and I tend to get my way due to force and arrogance". This is unlike the Danish managers who are described as likeable, but need to be taught quick decision-making and need to develop a stronger market-orientation.

Danny Allen sees the Danish middle managers' slow decision-making, and the engineers' focus on technology instead of market needs as opponents. He interprets these attitudes as reminiscences of the former management's inefficiency. He is also somewhat critical of the considerable power the Danish unions have, but he admits that they have been quite co-operative so far. He has made plans to reorganise the management team and to delegate some decisions: "But I will still put my fingers in the pie - it is not my style to sit back and watch the world go by. Tina Berggren will participate in all the management meetings and report back to me as a sort of spy". He looks upon the young human resource manager as his helper and allied, but he openly admits that he intends to use her in the somewhat problematic role as a spy among the other managers.

### **The project manager's story – April 96**

Let us now turn to one of the stories told at the middle management level - a year later. The narrator is an engineer in his early 30s. Frede Sonne is employed as a project manager in the research and development department.

*Power*      →      *Object*      →      *Receiver*



Basically, the project manager's story is about his endeavours to establish a well-functioning research team, which carries out technologically interesting projects in a successful manner. This is his object. He is confident that he will succeed in this - helped among others by the British production manager who has a good technological understanding and is an intelligent engineer. Still, the narrator does meet some obstacles along the way - often because of the British CEO who, as the narrator sees it, sometimes makes the wrong decisions because his understanding of the complicated GSM technology is insufficient, and in addition, he is unwilling to listen to the engineers' expert advice. Also, the CEO does not understand that it is necessary to invest a lot of money in R&D.

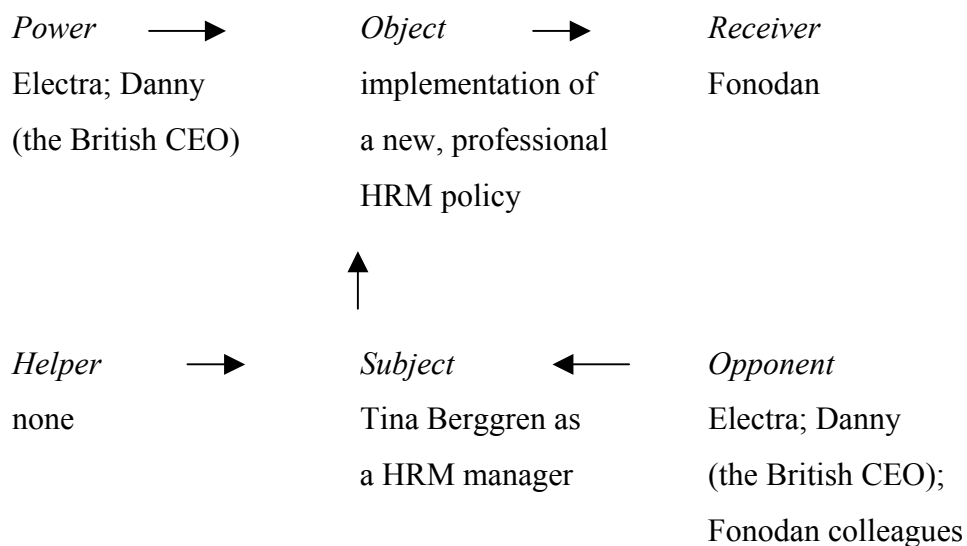
Intertwined with the main story are a couple of other success stories, both about the engineers' triumphs as a group and about Frede Sonne's individual achievements in a more personal career perspective. One story is about the pioneering development of the first GSM-phone, another is about the engineers' initiative to find a new owner when Fonodan had to suspend its payments. This group actually made the first contacts with Electra without involving the management.

The project manager identifies with the group of R&D engineers as a team of experts (in contrast to the management) and often uses the pronoun "we" (e.g. "we were well aware of the company's problems"). Except for top management, he does not refer to people or departments outside R&D. His world is primarily that of the engineers. At the same time, he

is also an individualist who sees his job as a choice: "it must be fun and technologically challenging". He knows that as a competent engineer he has a number of other alternatives in the job market and displays no emotional attachment to the company as such. He appreciates his colleagues in the R&D department ("we work well together as a team"), but what really matters is the R&D content of the projects he is assigned.

Frede Sonne speaks in a rational voice. He emphasises causal relationships and, in contrast to Jonna Jensen, does not describe his own feelings or those of others. Technology plays a decisive role in his story: "It won't be worthwhile to move the factory to a developing country because of cheaper labour. In a couple of years, most production processes will be automated and we will need very few people - and probably no unskilled workers at all".

**The human resource manager's second narrative – April 1996**



The human resource manager starts her second narrative in this way: "People ask 'but isn't your job just exciting?' and yes, it is, but most of all it's hard work and very stressful". It has been much more difficult than she expected to reach the object of implementing a new HRM policy. She feels that she has been let down by Electra and by the British CEO. She has not received the necessary support, and they does not understand or appreciate her ideas. The British are now opponents, but still the decisive power in her story and this makes her position difficult.

The British are unwilling to spend money on HRM: "Richard (Electra's owner) and Danny do not understand that we must invest in training and development. They think that you're born with certain qualifications, and that's it. They think that you don't need any more training when you leave university as an engineer, for instance. They don't understand that people can learn and develop continually". She is now very critical of Electra in general: "we had expected more professional competence from them".

She admits that it has been a tough year for her at the psychological level, too. She feels that no one helps her and that she "cannot have a natural and relaxed relationship with colleagues anymore". But though she sees herself as being in a difficult position, isolated in the company, outside the community of Fonodan employees, she is still fighting for what she believes is right in terms of professional HRM.

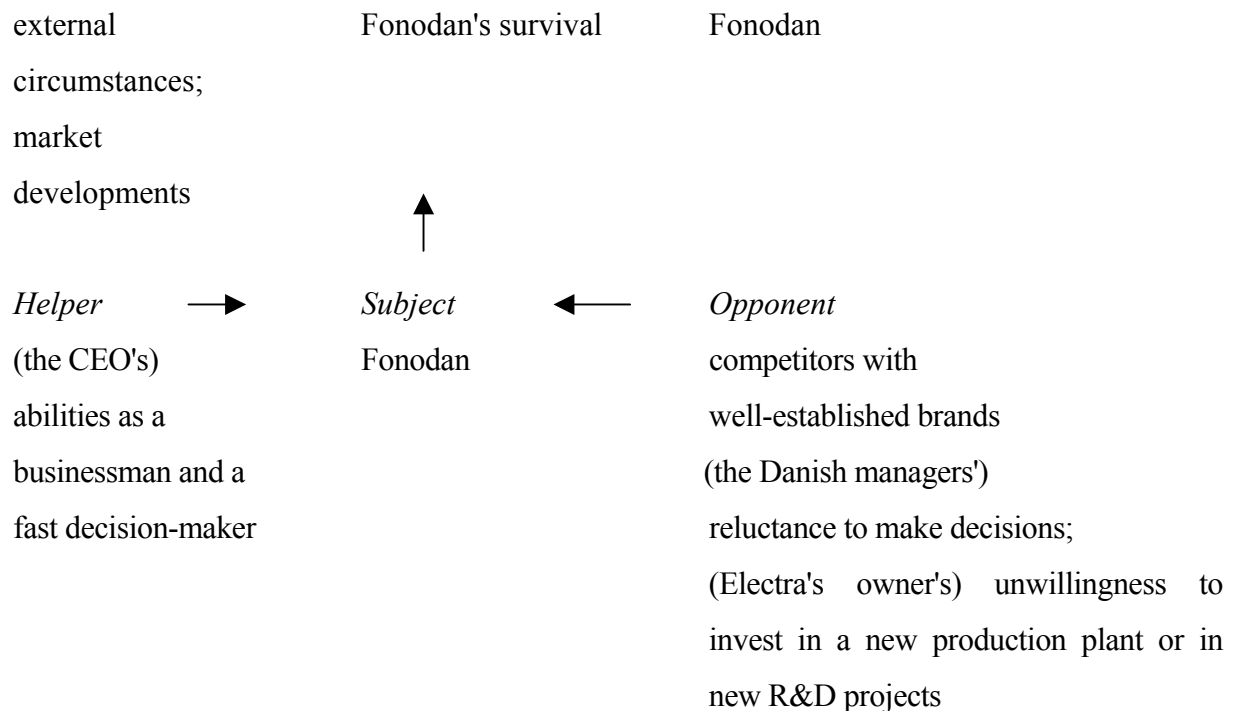
Still, though she does not say so directly, we get the impression that she sometimes feels that the price she pays is too high. She expresses some identification with people who have resigned from Fonodan when she says: "A few people have left the company. But I think it is a positive thing if they have thought about the sort of life they want to have and have decided they want to do something else. Some of them have worked very hard ever since they graduated from university, and there has been a lot of pressure here."

### **The British CEO's second story – April 1996**

One year later we had the opportunity to interview the British CEO again, and now, Danny Allen tells a story of trials rather than of expected triumphs.

*Power*      →      *Object*      →      *Receiver*





The British CEO has not succeeded in making Fonodan no 4 at the global market, but he explains it by factors outside his control. Most importantly, the market is difficult and the company is up against strong competitors with well-established brands. Now, his object is more modest: Fonodan's survival. Furthermore, the Danish managers are still too indecisive to be efficient, and due to the poor results, the owner of Electra has refused to invest in a new high volume production plant which has been planned at Fonodan for some time. Danny Allen hopes that he can make the company survive because of his abilities as an experienced businessman, but he does not seem very confident.

His shifting identifications from the first to the second interview are remarkable: In the first interview, the British managing director identifies with the task of making Fonodan successful and making the Danish managers efficient and professional. At the same time, he identifies against the former Danish management. A shared tale in top management is that the former management was indecisive, too little cost-conscious and too consensus-oriented. As he sees it, this is why the middle management is still too slow in their decision-making.

In the second interview, the managing director identifies with the task of making Fonodan profitable to the investors/Electra. He identifies against the present Danish management, whom he experiences as increasingly indecisive. He seems to be somewhat split between a

certain identification with the Fonodan engineers' enthusiastic development of innovative products for the future, and his old identification with Electra's short-term perspective of profit-making. Now he actually tries to support the engineers in their attempts to get more money for R&D from the British owners. He still sees himself as a competent international businessman. But through no fault of his own, he is now up against very tough competition in the market, with no help from anyone else in Fonodan.

10 days after this interview takes place the British expatriate CEO is asked to resign from his position and to return to Electra's headquarters in London. Electra instead turns the management of Fonodan over to the Danish operations director Erik Nielsen. At the same time, 115 workers in the manufacturing unit are laid off. Fonodan again faces serious financial problems. Even though the turnover is 910 million DKK in 1996, the net result of Electra's investment is negative: minus 84 million DKK.

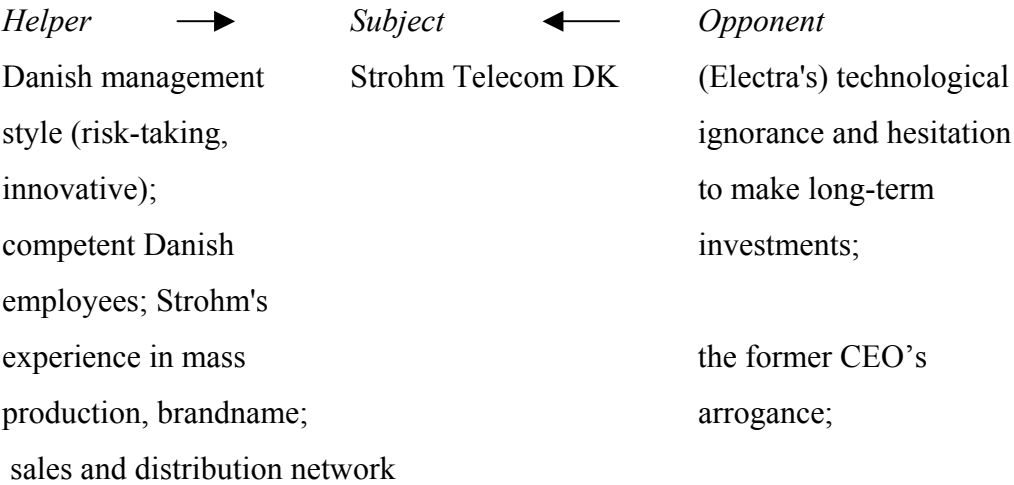
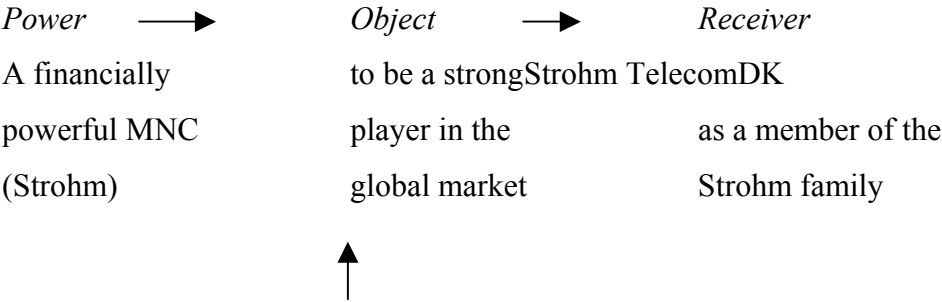
However, the R&D department is still successful in technological terms and because of its new product developments, Fonodan is attractive to investors. Three multinational electronics companies, one Japanese and two German industrial groups, go into negotiations and start a due diligence process. In April 1997, a large German industrial group, Gerhard Strohm GmbH, acquires Fonodan (henceforth Strohm Telecom DK), and another integration process begins.

## **THE GERMAN ACQUISITION - THE STROHM-ERA (1997- )**

### **The Danish CEO's first narrative - June 1997**

As soon as it is publicly announced that the German multinational company Strohm GmbH. has acquired the Danish company Fonodan in May 1997, the Danish CEO, Erik Nielsen, a man in the early 50s, is interviewed. In a triumphant voice he tells that business consultants with 25 years experience in the M & A field had informed him that only around 10 percent of all CEOs will survive a foreign take-over: "So I was prepared for the worst when the company was acquired. You can either take a chance or just start looking for another job. But I was 100 percent involved in the daily problems - with employees we had to dismiss, product quality, etc. I was working hard to make this company survive in a period full of trials. We

were really about to turn the key and close down - and at the same time I was preparing, in deep secrecy, the sale of the company together with these business consultants. So mentally I simply couldn't manage to look around for another job at the same time. Therefore I decided that I'd try to get the company sold in a proper manner so that all the good people here could continue their work with a new owner. And I thought that it might also look nice on my CV [...]. It is not too bad to leave the position as CEO when it happens in connection with a take-over."



An analysis of the Danish CEO's statements shows that his ambition on behalf of Danish company is to make Strohm Telecom DK a stronger player in the turbulent global telecommunications market. As a very important helper in relation to this project, he points to the acquiring company: Strohm has experience with mass production, a world-wide sales and distribution network and a well-established brand name, which is generally associated with high technological competence. However, according to the Danish CEO, the Danish managers and employees also have something to offer. They are well educated and highly motivated,

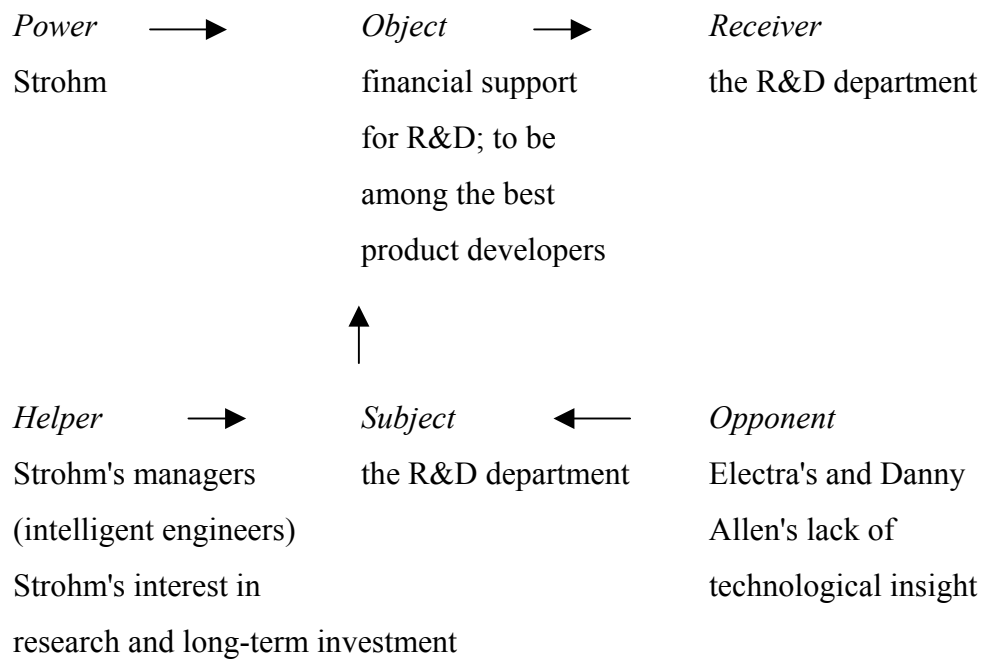
and the R&D department has a good reputation due to the engineers' outstanding know-how in GSM technology. Finally, the Danish management style that the CEO himself represents is described as innovative and risk-taking. Erik Nielsen is very enthusiastic: his former opponents represented by the owner of British Electra and the British expatriate CEO are now out of sight. He can finally permit himself to blame them for their technological ignorance and their arrogance towards the well-educated and competent Danish managers and employees:

"Danny (the former British CEO) was the right man to build up the company. He was the inspirator and succeeded in reorganising it. But when the company was reconstructed, he was not a success any longer. He was not able to handle the managerial operations at a high level, he was not capable of managing crises [...]. Moreover, Danny was arrogant and had a very big ego; he displayed the attitude that he knew better than everybody else. Fonodan was still a relatively small company at that moment, and Danny was involved in everything. But when things became more complex, his management model was useless. That was why he failed. In the end he simply lost control of everything in Fonodan. People with such a big ego are extremely dangerous as managers. They don't listen to other people, they cannot accept good advice, they only focus on their own ideas and are convinced of their own superior competencies. [...] Eventually Richard [Electra's owner] asked him to leave Fonodan immediately, and I had to take over the position as CEO of a company on the brink of disaster."

On this background the Danish CEO is relieved that British Electra has now been replaced by a serious and competent German industrial group. Whereas Electra hesitated to make long-term investments and implement the plans for a new high volume plant, the financially strong Strohm is perceived as fully committed to the project of making the Danish company a centre of excellence within GSM technology. Thus the company has got a new chance to become a strong player in the global telecommunications market.

### **The research and development manager's first narrative – May 1998**

A year later, in May 1998, we interviewed the research and development manager Frede Sonne, one of the former project managers in the company's Electra-era.



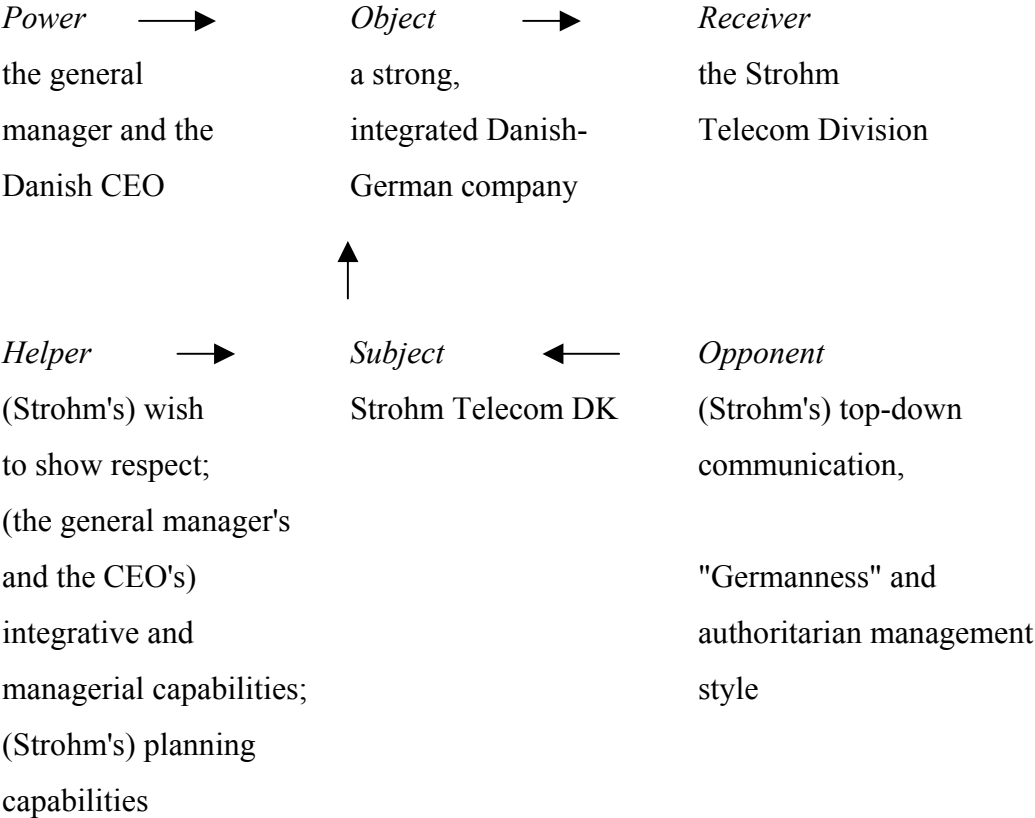
Like the Danish CEO, Frede Sonne also makes explicit comparisons between the former British owner and the new German acquiring company. The R&D manager also points to the British Electra as an opponent to his project: to get financial support for new ambitious R&D projects. The R&D manager points to difficulties in negotiations and decision-making: neither Electra's owner nor the British expatriate CEO had any technological insight.

He explicitly distances himself from Electra and identifies with the new acquiring company. He perceives the German managers as more intelligent than the British, and as engineers they belong to the same professional culture as he himself and his Danish colleagues in the R&D department. It explains to him why Strohm rightly puts emphasis on intensive and stable relations to researchers and students at the universities. Research projects and Ph.D.-scholarships are now sponsored, and graduate students are allowed to work at projects in the company, whereas these important company-university-relations were to a large extent neglected in Fonodan's Electra-era.

**The general manager responsible for finances, logistics and IT - May 1998**

An interview was also conducted with the general manager, responsible for finances, logistics and IT. Jesper Winther is juxtaposed with the Danish CEO at the top of the Danish management of the company and refers directly to the top management of the Strohm Telecom division. He was headhunted in March 1997 and spent the first month selling the

Danish company to Strohm GmbH. He speaks in very rational terms about his considerations when he was offered the job: "I made some preliminary strategic analyses and immediately realised that Fonodan would have to be sold. I also saw some very exciting strategic challenges and possibilities in the future. This is really high technology production and IT is crucial. But logistics, production and supply management are also very important functions."



Jesper Winther shares the other Danish managers' positive identification with the German acquiring company, but only to a certain extent. He foregrounds the German way of planning and structuring working processes as something that the Danish managers and employees can learn from. But he is also well aware that Strohm's managerial style and communication style might have negative impact on the integration process.

Still, he believes that Strohm wishes to show the Danish company respect: "Strohm has experienced some disastrous take-overs. Total disasters where they just rolled in, took over, and let the blood flow. Afterwards, to their surprise, all the rest of the managers left, too, and they wondered why [...]. Strohm is now very conscious of the signals they send out to us as the acquired company, and they try to show that they respect our competencies and culture.

They have no know-how in telecommunications and they realise that they must make people stay here."

He describes his project as the successful integration of the Danish and the German companies: "I feel it as my responsibility to make the communication run smoothly [...] Product synergies, etc. are not enough. And when it does not work, whom do they send out to solve the problems? A trouble-shooter who makes John Wayne look like a Sunday school boy! They really need integrators, and that's how I see myself."

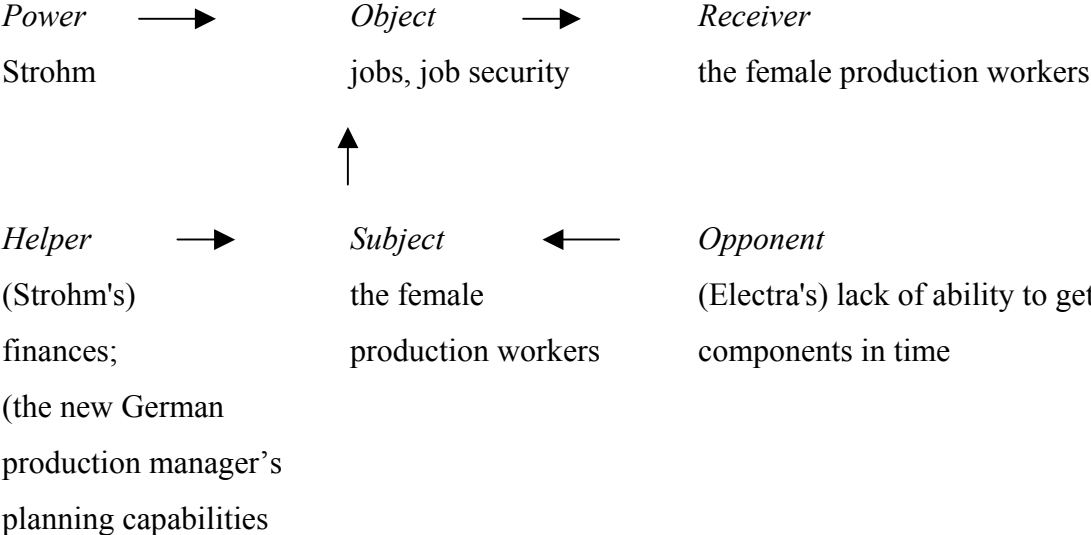
Helpers in relation to the integration project are his own educational background (MBA) and his managerial experience, also from jobs in Germany. In contrast to most of the other Danish managers who speak English with their German counterparts, Jesper Winther speaks German fluently, and he is familiar with German communication style and manners. He thus stresses his own managerial competencies compared to those of the Danish top and middle managers. They may have done a good job when the company was smaller. But they are very operations-focused, and now they also need more knowledge of management and strategy to be able to cope with the future challenges.

He perceives Strohm's communication and management style as counterproductive to his integration project: "The managers in Strohm say that they are international, but they are still very German. It's incredible how much of the information we get that's in German. And they have this fundamental culture that can be hard for us Scandinavians to accept: when a manager issues an order, he expects to be obeyed, and that people click their heels and say 'Yes, Sir'. But that's not Danish culture. Danes ask: 'Why? Couldn't we do it this way instead?'"

He characterises the German managerial style as more authoritarian, as top-down communication with commands and intensive control of subordinates. The Danish style is characterised by compromise-seeking negotiation and thus a helper to his integration project. The Danish way to carry out management, strategy and team building is also viewed upon as far more advanced than the German way. Moreover the German managers could learn from the Danish managers that they should be more aware that an integration process following an acquisition is also "people business". The Danish general manager thus emphasises that it is

crucial for the acquiring company to be aware of the uniqueness of a company such as Fonodan. This company is a knowledge-based organisation where managers and employees are committed to innovative problem-solving.

**The shop steward's second narrative - May 1998**



At a lower level in the company hierarchy we hear once again the voice of shop steward Jonna Jensen speaking on behalf of the female production workers, the subject of her narrative.

In May 1998 as well as in her first narrative from the Electra era, she is primarily focused on getting jobs for the members of her union, and on obtaining as much job security as possible. Between 95 and 98 British Electra has moved from a position as the power who provided the desired object to a position as an opponent who hindered the subject(s) in obtaining what they wanted. In both narratives, the former acquiring company and the former management are seen as opponents. In 98 Electra's management is pointed out as the culprit because the company was not able to get the needed components for production in time. Moreover, the shop steward now admits that it was difficult when all meetings with the British CEO in the company's works council were held in English: "We also get more information than before. Now the meetings are in Danish again, and that's a relief. Though they were briefer before..."

The helpers are indicated rather vaguely in the shop steward's narrative: "Gerhard Strohm is an old company, and they know about production. They know that you need good tools and



machinery”. Also Strohm’s stronger financial situation is a positive factor in the creation of jobs and more job security in the production department. It is also mentioned as something very positive that the German production manager has learnt Danish, in contrast to the former British CEO who did not make any such efforts during the 2½ years he stayed in Denmark.

The shop steward expects it will be a big change to the workers when they move to the new factory, which at that time was still under construction. She tells: “A couple of us were sent to Germany to look at a factory down there. There were a lot of good things, but there were no colours or plants. We would like to have it more cosy here. But I believe that the good spirit we have in this house will continue - no one feels controlled and we can talk freely. That’s important. That’s what we are known for. That’s what attracts new girls to jobs in the production department.”

### **The Danish CEO's second narrative June 1999**

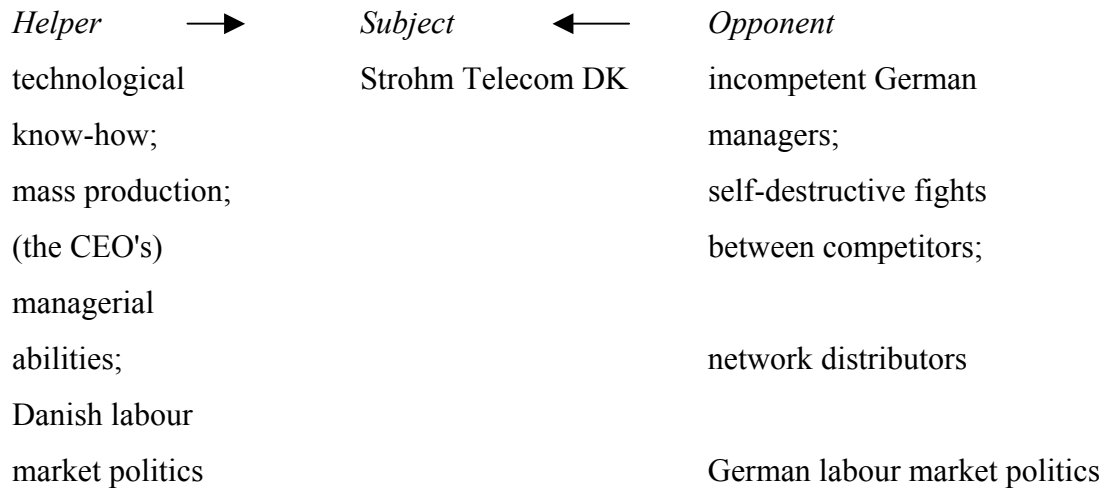
A year later a new series of interviews are made. In the meantime the Danish company has moved to a new building with administration offices, a larger research and development department and a huge plant with mass production facilities. The number of employees has increased from 1014 to 1488 since May 1998. Strohm Telecom DK is now the biggest private company in Northern Jutland.

In the global market of mobile phones the competition among a still decreasing number of players has been intensified. In 1999 Strohm Telecom has 3.2 percent of the world market, whereas the three global giants Finnish Nokia, Swedish LM Ericsson and US-American Motorola have 27, 22 and 19 percent respectively. Rumours are circulating in the company and in the media that Strohm is looking for a strategic partner. The alternative may well be to be "swallowed up" by one of the bigger players or even to close down. How do different central actors in the Danish company interpret this situation? First, the Danish CEO, Erik Nielsen:

*Power*      →      *Object*      →      *Receiver*  
potential partners      becoming a      Strohm TelecomDK

within development,  
production and  
sales of mobile  
phones

stronger player  
in the global  
telecommunications  
market



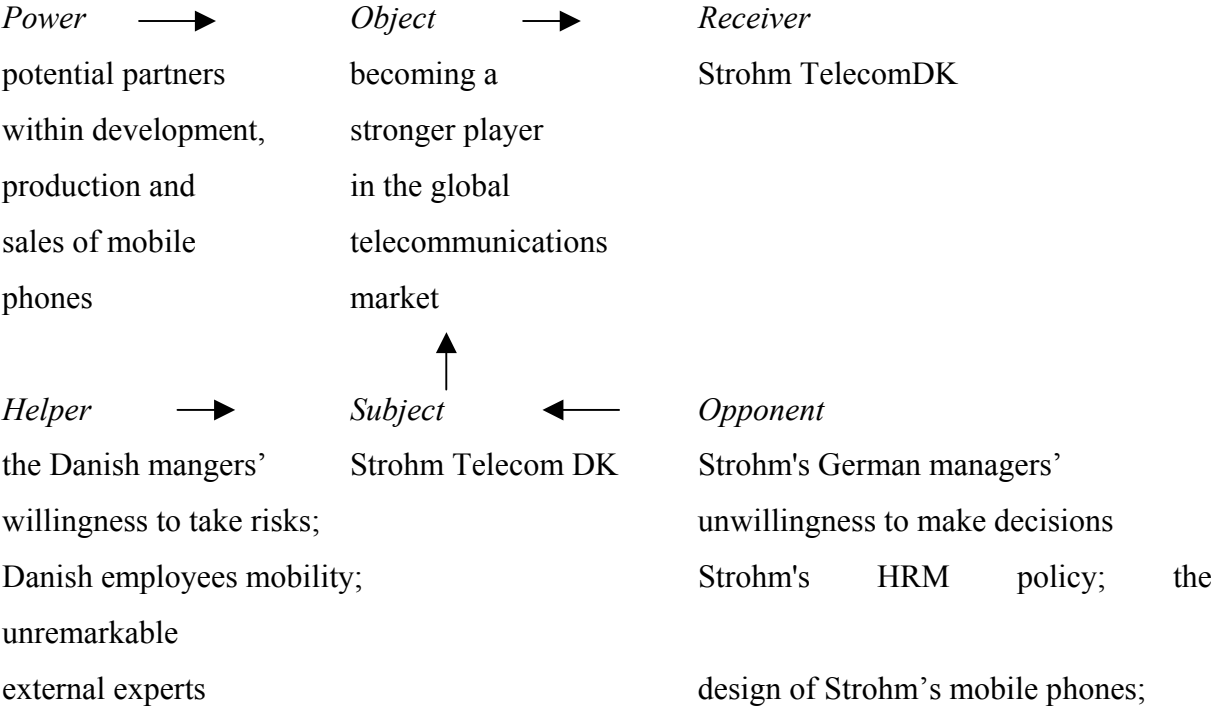
Erik Nielsen still speaks on behalf of Strohm Telecom DK. He describes his project as making the company a stronger player in the global market of telecommunications. He characterises himself in this way: "I am a world champion to fall on my ass and get up again". He sees it as an important aspect of his managerial competence that he has survived many ups and downs in the Danish company's history. With an undertone of irony he states: "I am cool as a cucumber". No difficulties can seriously affect him; he will strive to make the company survive any difficulties it faces.

In June 99 he sees quite a few opponents to his project, among them his counterparts in the German acquiring company. In general, he sees German labour market regulations as an obstacle to dismiss incompetent managers and employees, which is easier according to Danish labour market regulations. Moreover, in Denmark there is a tradition for mobility between companies due to the fact that most companies are small or medium sized. It makes the Danish working force more flexible. At a more concrete level he experiences Strohm's personnel policy as an additional hindrance, because this big MNC, like many other major German companies, has developed a tradition of life-long careers. Thus he experiences some of the managers in the Strohm Telecom division as opponents because they have made their

career in other divisions of the MNC such as the automotive division (brake production, car radios). They make decisions with important implications for the Danish company, but according to the Danish CEO they do not have the necessary insight in the unique conditions for research, development and marketing of mobile phones.

The global competition is very strong, and the Danish CEO views the competitors as engaged in a (self)destructive fight to get a larger market share. Another destructive force is the telecommunication network distributors who sell the phones to customers at extremely low prices that do not correspond the costs of research, development and production: "The market is completely crazy. It grows with 50% a year, but it's a war – we use up all our strength trying to kill each other. [...] The only winner is likely to be you as a customer! If you look at the PC market 10-15 years ago, the exact same thing happened: Huge growth, and they all killed each other, only 3-4 survived." According to the Danish CEO the best way out of this difficult situation is to be involved in strategic alliances with other financially strong companies: "As I see it, Strohm has three possibilities: Closing us down, investing billions in marketing, factories and development, or they can find someone to collaborate with. This is a game for the big boys, so: buy, join, merge."

**The research and development manager's second narrative – June 1999.**



The Danish research and development manager also emphasises that Danish employees' mobility is a helper in the project that he shares with the CEO, i.e. to strengthen the

company's position in the global telecommunications market. The solution he recommends is external recruitment of experts who could add value by improving the design of the mobile phones as well as develop the marketing to end users. However, Strohm's HRM policy is characterised by internal recruitment no matter which competencies are needed, and this is seen as an obstacle and an opponent to the Danish R&D manager's project.

Frede Sonne still respects Strohm's competencies and highly needed experience of large-scale mass production. These are helpers, whereas the acquiring company's management style is perceived as a serious opponent. The R&D manager compares the unstable situation, where the German managers are not yet settled in their views upon the future strategy, with the situation Danish management experienced with Electra in 1996, when the British concern hesitated to invest more money. This is an unstable situation that causes frustration. German managers fear to decide on investments that might fail and thus cost them their further career in Strohm. But in the meantime several good managers and employees consider leaving Strohm Telecom DK because they are offered attractive positions by other electronics companies in the region.

The R&D manager also comments on the new building that is positively described by other narrators in the company. Many production workers are proud of Strohm Telecom DK's new big building that sticks out a mile in the environment. They also put emphasis on the fact that all managers and employees in the company are working in the same building. It is easy to meet with other groups of employees, and you can even have your meals in the same canteen as the top managers. The managers in the Strohm Telecom division in Germany are also very satisfied with the new building and have even considered erecting more buildings in Germany and abroad using the same design. The research and development manager describes the company's new premises from quite another point of view: "In the old building where the R&D department was located, my colleagues and I made all our decisions without interference from others. Nearly everything was possible. We left the anarchist tendencies among the R&D people free scope. The new building is much more influenced by Strohm's thorough and painstaking character. You have to behave according to certain rules applied to all groups of employees working in this building, from production workers to the CEO. You are asked to arrange everything in an ordered whole, in a system that you haven't had any influence on. You can no longer move any of the walls. You cannot invite your family and show them your workplace due to security systems. You are not allowed to move chairs to the

open-air terrace when the weather is nice. There are no cosy places, no chat-rooms, no intimacy, and no room for spontaneous contacts. I cannot help referring to this big building as the one and only open prison in Northern Jutland."

In the contrasts between the old building and the new one, binary oppositions are constructed that may be interpreted as part of the narrator's underlying value system determining his identification with the Danes against the German acquiring company. The Danish way of life and the Danish organisational culture in an entrepreneurial company is here associated with the old building characterised by possibilities, anarchism, no interference from outsiders. It is possible to link workplace and family life, and the rooms are cosy, intimate, with spaces where you can chat and make spontaneous contacts. The new building is connotated with the German organisational culture and characterised by the narrator as dominated by control and restricted by a number of rules. The employees have no influence on the workplace, and the company is closed to the local environment. The atmosphere is cold, the social relations are formal. There is no space for chat, only for scheduled meetings.

The R&D manager never identified strongly with the company, whether under Danish, British or German ownership. Frede Sonne has always had a strong professional identity as an engineer and as an employee in the R&D department, though. But as he emphasises in this last narrative: "I did not plan to work in Strohm Telecom DK. And I know that I can easily find a good job elsewhere. I am not born into the Strohm family, I do not share career perspectives with our German expatriate managers. I cannot imagine that I will stay here until I retire. As long as I have some fun with my job and find it challenging, it is OK, but if not, then..."

The research and development manager admits that the drastic enlargement of the Danish company - from 800 to 1500 employees in one year – has “drawn some teeth out the Danish company. The organisation is right now suffering from severe stress symptoms; but nevertheless it has been a tremendous learning process. However, some of the people most intensively involved have to make up their minds if they want to continue at top gear with the risk of a burnout or even – a too early – death. Or if they rather want to leave the company in time.” There seems to be some sort of identification with the people who are considering

other life projects, which in some aspects makes this narrative similar to the second narrative told by the human resource manager in April 1994 in a situation close to burn-out.

Half a year after this interview, the R&D manager decided to leave the company to work as manager and co-owner of a smaller Danish R&D company that is a supplier to the giant competitors Nokia and L. M Ericsson. The German Strohm managers were shocked: "How can we make him change his decision? Didn't we pay him enough?" But they did not succeed in convincing him that he should stay in Strohm Telecom DK.

## DISCUSSION AND CONCLUDING REMARKS

The narratological perspective applied to the interviews analysed in this essay offers insight into interpretations based on different perspectives and at the same time displays that central actors within an acquired company may have very different goals and worldviews.

The narratological analyses have also made it clear how different organisational narrators and actors construct different plots and account for causalities from different points of view. The analyses have demonstrated that the plots and causalities in the narratives told must be seen as a result of both individual and collective processes of selection, hierarchisation and sequencing of organisational actions and events.

The narratological analyses have also focused on different modes of storytelling. We have analysed rationalistic, seemingly objective accounts on behalf of the company or a department within it, and enthusiastic stories about a certain person's visions and future plans for the company and tales of personal triumph and managerial success. But we have also analysed tales of trial and failure told by both top management and people lower in the workplace hierarchy who blame others' actions or look for cultural differences at a national or an organisational level as the explanation of failed plans and projects.

The many different voices and their differing narratives about acquisitions seems to indicate that the popular concept of "shared narratives" in organisations may be a rather problematic managerial tool and in some cases even counterproductive to implement through conscious effort. For instance, many employees shared the interpretation of the former Fonodan management, which the shop steward and the human resource manager expressed in their first

narratives from the company's the Electra-era. But a core group in the company such as the R & D engineers who benefited from the generous investments in ambitious research projects and succeeded in developing one of the first GSM phones in the world, something that made the company attractive for investors, certainly disagreed in this narrative about the former management. They did not support the British CEO's narrative about the need for cost consciousness and wage restraints.

Our longitudinal perspective on the organisational change perspectives as they are experienced and interpreted by different central actors in an acquired company has enabled us to see some patterns in the way the narrators' stories change and develop over time. From the suspense of payments in 1993 over British and German acquisitions of the company to the current development where the company is searching for another strategic partner to survive in the global competition.

Notably, the acquiring company seems to move from a position as power and/or helper to a position as opponent or a cause of problems as soon as some time has passed and a new company is about to take over, or already has taken over.

Both top and middle managers tend to see themselves as decisive agents when the company experiences success, but they tend to tone down the impact of their own decisions when problems arise. Other organisational actors - in our case company for instance the shop steward, the production workers and the secretaries - represent themselves as agents to a much lesser extent, regardless of whether things go well or not.

In times of trial, managers typically point to contextual factors outside their control as causes of problems - the market, the competitors, the technological development and consumers' changing preferences.

The managers are more than ready to take responsibility when things go well, but they are quick to identify opponents in the environment, inclusive the foreign acquiring company, when things go less well. In this way, managers' accounts may distort researchers' conclusions if such tendencies in managers' story-telling are not detected in studies of factors that lead to success or failure in mergers or acquisitions. Therefore, it is probably wise to interpret causal

explanations with a grain of salt when relying on qualitative interviews. A narratological perspective on interviews can help us to see that the truth of the managers' and employees' stories may not lie in the "facts" they recount, but rather in the way they construct their story and retrospectively try to make sense of a course of actions and events.

When reading through stories told to us by managers and other employees in the acquired company, it becomes clear that the shifting CEOs have had demanding roles to fill - not just in terms of work load and formal responsibility, but also at the psychological and interpersonal levels. Although the CEO's personality has a bearing on the way he leads the company, his role and professional identity is of course not defined by himself alone, but also by the employees. This makes it very difficult or risky for him to deviate too much from their expectations concerning the role he is to play.

The CEO's role is generally expected to be that of central and preferably heroic character who assumes personal responsibility for the company's fate. This implies that it will not be acceptable for him to voice too much uncertainty and indecision, not even in face of problems obviously outside his control.

According to Czarniawska (1997), one of the leader's most important functions is to provide the rest of the organisation and its environment with the illusion of controllability: The CEO is in charge, so the employees need not worry. But to uphold this illusion even when the company meets challenges, the leader will also have to act as scapegoat. If he is not dismissed in case of failure, it is implicitly admitted that he is not responsible for what happens - and so everyone has to face the uncontrollability of organisational life. But if he is dismissed and a new CEO takes over, the old leader can safely be blamed, and everybody - except perhaps the new CEO - can feel secure again and tell each other that someone more competent is now responsible for the development. The hopes and positive expectations are then projected into the new CEO.

It is evident that former leaders, when we are told about them in retrospect, tend to act as scapegoats in the narratives told in the Danish acquired company, e.g. the pre-acquisition Fonodan management team and the British CEO Danny Allen. It also seems like the managers themselves are to some degree aware of the risks inherent in their role. Some of



them tend to see their job in the context of a war or a game and they are very concerned with their personal position. They are more into concepts of power and success/failure than other employees, and they seem to display their work life as dramatic and exciting, but also dangerous.

In research aiming at normative conclusions as well as in business consultants' presentation of specific factors as determinants of managerial success, it is especially risky to use managers' success narratives as practical guidelines. At least from our perspective it is a pitfall if organisational research in general, and research on mergers and acquisitions in particular, is based on interviews with managers alone, but that is actually fairly often the case.

We find that one of the forces of the narratological approach we have applied on our empirical data is that it is well suited to give voice to a wide range of organisational actors and thereby offer a corrective to purely managerial perspectives on mergers and acquisitions.

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<sup>1</sup> This name as well as all names of companies and persons in the following are fictitious in order to protect the anonymity of our respondents.