Integration through framing
A study of the Cloetta Fazer merger

Cecilia Bjursell

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Department of Management and Engineering

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Prologue
AND THEY LIVED HAPPILY EVER AFTER?

The merger between the two confectionery companies into Cloetta Fazer would come to change the positions on the Nordic Confectionery market. The merged company moved to a top position on the Swedish market as well as on the Nordic market as a whole. In Finland, Fazer already held an outstanding first position with the top brand Fazer Blue, a brand ranked higher than Nokia in Finland.

"An agreement was signed in December 1999 for the merger of the Cloetta Group and Fazer Konfektyr. The name of the parent company will be Cloetta Fazer AB, and the new Group will be consolidated as of 1 January 2000. Cloetta Fazer will be the Nordic region’s largest chocolate and confectionery company, with a market share of 25%. The new Group had pro forma sales of MSEK 5,050 in 1999. Pro forma earnings per share for Cloetta Fazer in 1999 amounted to SEK 7.05. The new company has six production units with a combined annual production volume of 72,000 tonnes."

The main motive of the merger was to achieve cost synergies in production, sales, marketing, purchase and administration with a total effect of SEK 75 million per year in the period 2000 to 2002 and combine the two strong brand portfolios. The financial goal was supported by the accounting procedure since the merger had been performed according to the pooling-of-interests accounting method for business combinations. This technique could be used in mergers of equals and one advantage with pooling was that the company did not have to recognize goodwill as an asset on financial statements. Oy Karl Fazer Ab made an apportion of the business area Fazer Confectionery in exchange for a new issue of shares in the listed Cloetta AB, equivalent to a relative evaluation of 50/50.

To use the pooling technique required the organization to comply with certain criteria in the set-up of the new organization, such as maintaining a 50/50 balance of people from Cloetta and Fazer on the executive board and committee. Thus, the financial advantages of pooling put the managers in a difficult position when it came to the integration of the management group that followed, since no one had the final vote. Would the managers get caught in guarding their territory or would

1 Press Release 16 February 2000
the integration process be a graceful journey towards finding a shared way of working? Both possibilities existed at the first meeting between the Finnish and Swedish managers. The only thing they knew was that change would come.

WHEN TWO BECOME ONE

Conditions for living together

The marriage metaphor is often used to describe mergers (Levinson 1970, Fulmer and Gilkey 1988) but a marriage between two organizations is not about unconditional love through thick and thin. Instead, it is about performance and achieving goals. A key to success is being able to manage the complex post-merger integration process (e.g. Kitching 1967, Schweiger and Goulet 2000, 2005), and special attention should be paid to the human factor (Bijlsma-Frankema 2001). Cloetta and Fazer both had a history of acquisitions before they merged with each other, and when I talked to one of the managers about previous experiences, I happened to use the word merger about a deal made some years earlier, but I got strong reactions to this: “That wasn’t a merger, it was an acquisition. You can’t compare these things. An acquisition is very easy to manage.” Similar comments from other managers showed that the people in the company made a clear distinction between acquisitions and mergers. “What was different in the Candelia2 case compared to Fazer is that we have different governance. In one case we acquired a company and it was very obvious who was steering the ship and one could be, well, not a dictator but we could control things in another way. In the Fazer case we had to be more diplomatic and discuss and try to reach some kind of consensus. So the Candelia case was much simpler because we could say ‘Let’s do this’ and then we did it. An acquisition is after all much easier than a merger.” (Swedish manager 2002).

The difference was that in an acquisition you could make a one-sided integration, a transfer of managerial systems from one to the other, and it was obvious who was in charge. In a merger you should work to unite the participating organizations and to create something new. It goes without saying that the new organization should be something better. Cloetta and Fazer was a merger of equals. This was prescribed by the accounting technique used and it was the understanding among the managers in the company. However, according to the managers’ experiences, a merger was harder to manage, but what did they mean when they talked about managing integration? Could they follow a simple step-by-step process towards a successful integration or how would the integration be performed? Could all parts of the organizations be merged in the same way or did the managers have to deal with different kinds of integration depending on area, people and purpose? To discuss this we need to know the aim of the integration. When it came to integrating the

2 Candelia was a Swedish confectionery company acquired by Cloetta in 1998
management team, which is the focus of this thesis, one aim was to achieve a shared way of working in the group.

Finding a shared way of working

The problem with integrating the management team was explained by the managers as being a communication problem due to cultural differences. The descriptions of the cultures seemed to be based on the notion of two distinctly different organizations: "Cloetta is more easy going, happy, fun, playful, a little bit more rural. Fazer is strict, quality, sober and so on. And the Finnish culture among the employees is more theoretical and long-term. The Swedish culture is to work operatively. We have theories in Sweden as well but we don’t talk about them. You talk a little and then you do it. In the Finnish culture they talk more and don’t do as much. This also symbolizes the brands Fazer and Cloetta. What would be best is of course a mix of everything.” (Swedish manager 2003) This quote presents a general idea of what people meant when they talked about Cloetta and Fazer cultures. It also shows that people referred to both national and organizational culture to explain differences, but sometimes the cultural references displayed contradictions. An example of this was the description of Fazer as theoretical planners and Cloetta as operatively oriented doers, which did not agree with the description of Finnish managers as quick decision makers working in a trial and error style while the Swedish managers worked carefully before making a decision in order to achieve a smooth implementation phase.

The managers started working on the communication problems right away, but the work was time consuming. The CEO commented on the progress three years after the merger: “It feels good. We’re much closer to being one company than we were two or three years ago when we merged. We’re getting closer all the time.” Here I would like to point to the difference between being one company and feeling as one company. Technically, the merger meant that the two organizations became one company from the start. After one year the main parts of the structural integration were done. In spite of this, two, three years after the merger the managers still talked about the fact that they had yet to create one company. I asked one of the managers how they would know when they were one company and got the answer that “You can never really know. It’s more like a feeling. But maybe you can measure it with some indicators, like if we have similar processes, leadership. Are we starting to resemble each other in the organizations and so on. But to talk about one company, one culture, one set of values it’s hard to tell but it probably takes a long time to reach that.” (Finnish manager 2003). I later on use the term oneness to describe this idea of feeling as one organization.

The top managers presented a shared mind-set as a way to get past the communication problems that people in the organization experienced. But the ideal of a shared mind-set was much more than just asking people to find a way to work together.
Against the notion of oneness, stood the practical situations that often demanded that differences needed to be accepted. “That’s most important. If you accept differences, if you accept that others can be different from you that’s very good, because then you can develop and learn from each other. If you say that people are the same in all the countries you are wrong, because even in your country there won’t be two people that are the same. I think that’s basic. If the company accepts differences it’s okay, if not, we have a problem.” (Polish manager 2003) Others were skeptical to the mere idea of a complete merger to achieve oneness. “These companies have such different cultures and languages and the countries are so different. Is it even realistic to force things together? I think it’s unnecessary and that we should examine what parts need to be shared. I think it’s artificial if everything should be the same and I don’t know why one wants it to be like that.” (Finnish manager 2003). It was the main task of the human resource department (HR) to create a shared culture, and they worked ambitiously with this, but people did not feel motivated to support this work in the organization: “Do we get a reprimand if we don’t work according to this? Do we get a golden star if we do? Things are not that clear in practice but we talk a lot about it and say that there is more to gain from this merger.” (Swedish manager 2003).

Thus, the managers faced a situation when they simultaneously had an intention of keeping the old organizational cultures, while creating a new, shared culture at the same time. The argument for keeping the two old cultures was that they had strong connections to the brands and the managers did not want to lose the values that had been built in the organizations for over a hundred years. The reason that they wanted to create a new culture was that it would be easier to communicate within the management group if they shared the same values and assumptions.

Setting up an arena for integration

The solution for working with communication after the merger was the creation of a forum for the integration of the management group: the Business Academy. The Business Academy was described as an internal management school and the top managers met about three times a year for a two-day meeting when they discussed different aspects of business. The Business Academy was the only formal forum where managers from all different parts of the organization met and talked about new ways of working together. The managers came from Finland, Poland and Sweden and had different educational and organizational backgrounds. In addition, the group consisted of managers from different hierarchical levels. In this thesis, I talk about two levels, the KL group\(^3\) and middle managers. The purpose of the Business Academy was to find a shared way of working in the merged organization. “It’s about this group of 40 top managers in this forum. They should feel like they’re working in one company. And the more we meet, the more we feel it. We are

\(^3\) KL is short for the Swedish word koncernledning (Eng. group management). Of the 40 managers attending the meetings 8 were KL managers.
approaching each other on a personal level and share basic ideas. And it has to start there if we are to manage one company.” (Swedish manager 2003). The Business Academy meetings had a workshop character and previous studies have demonstrated how a workshop with employee participation could enhance the probability of successful cooperation after a merger (Leroy and Ramanantsoa 1997). During the time of my study the managers said that they were getting closer and closer with each meeting. Still, the integration work in the management group was characterized by tension between the notion of being one against the diversity found in the organization, between integration ideals and practical work. And what was it that they were doing at the Business Academy meetings to integrate the management group?

“What is it that’s going on here?”

What does it mean to integrate?

The problem expressed by the managers was that they wanted to keep the two old cultures at the same time as they worked toward achieving oneness in the management group. Based on this, there are two concepts I think could be useful to look at in order to understand this process. One is the concept of acculturation in relation to mergers. The other is the concept of frame that corresponds to the ideal of a shared mind-set for the group. I will briefly mention them here but a fuller description of the concepts are found in the chapters The post-merger integration process and Creating a shared frame of reference. In those chapters I relate the concepts of integration and frame to the empirical situation and introduce some additional theoretical connections and assumptions.

Integration as acculturation

Integration can be used as a general concept to describe the process of merging two organizations, but in the literature you can find frameworks that describe aspects of the integration process in somewhat different ways. I find the integration and assimilation concepts in Nahavandi’s and Malekzadeh’s (1988, 1993) acculturation framework, suitable as a starting-point for my attempt to understand the empirical problem. According to the acculturation framework, you work with integration if you want to maintain the cultures and assimilation if you want an organization to have a shared culture. Integration refers to the structural combination of organizations, and the term assimilation is used to describe socio-cultural integration in terms of one organization adopting the other organization’s culture. As will be

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4 From Erving Goffman (1986, p. 8) who stated that “I assume that when individuals attend to any current situation, they face the question: “What is it that’s going on here?”"
described, the use of these concepts is still quite problematic. One problem is that the term integration is used as a mode of acculturation, but both in practice and in the merger and acquisition literature, integration is usually used to refer to the process of integration in general, not a specific mode. Here I use the concepts integration and assimilation to point at conflicting goals in the merged company. Later, I mainly use integration to refer to the process in general since assimilation was the main issue in the management group studied. Another problem is that the term assimilation does not exactly describe what the managers wanted to achieve in practice. Assimilation is about one merging into another but in this case it was about two merging into something new, while at the same time keeping the old cultures. This gives rise to the question of what the managers meant when they talked about culture. How did they talk about integration towards assimilation and what role did culture play in this discussion? To analyze the integration discourse, I have used the concept of frames to understand the socio-cultural aspect of merging.

Framing in the integration discourse

When using the frame concept, assimilation becomes a question of creating a new, shared frame of reference. A benefit with the frame concept is that it makes it possible to look at other aspects of the discourse that are not necessarily referred to as concerning culture. The frame concept is used to describe schemata of interpretation applicable to a recognized event (Goffman 1986). Frames provide people with meaning that in turn influence how they act. A frame brings out certain features while others fall outside the frame, and in this respect a frame is a means of control. To emphasize the dynamics of frames, I use the concept framing. Framing describes the process of changing frames, and it works well with the empirical notion of creating a shared mind-set since framing can refer to the cognitive as well as the social process of change (although in this thesis the emphasis is on the social aspect). When talking about framing, it is essential to recognize two sides of social life; while individuals are seen as shaping their world, they are at the same time constrained by influences external to themselves (Palmer and Dunford 1996). I think that this becomes of interest when talking about framing within a listed company. This kind of organization has certain characteristics that influence social interaction, such as the influence from the stock market that represents one institution that constrains activities in the organization. Another characteristic is that relations in an organization are based on formal contracts that set power

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5 In the literature meaning construction is referred to both as framing, reframing and (re)framing (Chreim 2006). While reframing is mainly used in literature on organizational and strategic change to emphasize managerial actions to get people to use multiple frames (Palmer & Dunford 1996, Normann 2001), framing is connected to studies of SMO:s, social movement organizations (Benford & Snow 2000). I have chosen to use the framing concept in this thesis since I interpret it as focusing on groups active in the process, compared to reframing that implies the perspective of an individual top manager. Also, framing goes back to Goffman as an original source for the concept. Even though I talk about framing, I also refer to literature that uses the reframing concepts since the empirical situation was a group of managers.
relations. This could mean that interaction is based on other assumptions and expectations than everyday social life. When looking at frame development, generation and elaboration as a discursive process, Benford and Snow (2000) establish that there are few studies in this area. As I will describe later, the major part of managerial work is to engage in organizational discourse. I will apply the concept of frames and framing to this process in order to learn more about the socio-cultural integration that is going on at the meetings.

THE PURPOSE OF THE STUDY

The purpose of my study is to explore, depict and reflect on the management groups strive to achieve socio-cultural integration. In this thesis, I have chosen to illustrate my findings by applying the idea of framing to the on-going communication at the Business Academy meetings.

When looking at how integration and frames have been described in the literature in relation to the empirical setting, this raises some questions. What is it that is going on in an integration process? What kind of implications did the notion of oneness have on the integration process in the merged company? How can the study of the Business Academy contribute to an understanding of post-merger integration? Finally, how can the frame concept be used to study organizational discourse, and how can it contribute to the understanding of the integration process? These questions are intended as a guide for what this thesis will be about. In the summary after each chapter, I will reflect on what we can learn about integration.

A FEW WORDS ABOUT THE STYLE OF THE THESIS

For the reader who is used to research texts that are written in an authoritative voice and with a formal language and structure, I would like to make a short comment on the style chosen for this thesis. I have used an active, direct voice and the main reason is to show that I am aware of the text as a construction. In line with this, I do not have a final chapter on results. Instead I see the whole thesis as a piece of constructed result based on the study. Another aspect of the style chosen is that I have reflected much on my role as a researcher and what it means to perform qualitative studies. If the researcher is visible in a text, this can work as an element that stimulates a dialogue (Alvesson 2000). When I am visible in the text I know that I have a tendency to express myself directly. I have tried to work with this, but even when I have not succeeded, I hope that you see my text as a contribution to the research discussion rather than as an attempt to give the final word on matters. I also hope that the style is not misleading concerning my attitude towards research. Therefore, I would like to stress that I have a very humble and serious attitude towards per-
THE OUTLINE OF THE THESIS

Prologue
In this chapter, I present a background and some problematic aspects of the integration process. Since it was a merger of equals, it meant that efforts to collaborate were necessary in the new enterprise, but the managers encountered communication problems during interaction. The communication problems, which the managers explained by referring to different cultures, would be solved by creating a new, shared culture in a forum called the Business Academy. At the same time, the old cultures would be preserved due to their connection to the brands. To describe this on a theoretical level I have used acculturation and framing concepts to focus on socio-cultural integration after a merger.

Introducing Cloetta and Fazer
This chapter is an introduction to the two companies, to allow the reader to get to know the merging organizations. It is based on how they presented themselves to each other and to me. The chapter gives some historical facts, together with a sketch of the organizations and a description of the negotiation process before the merger.

The post-merger integration process
To contextualize the Business Academy meetings, I present an overview of the integrating process. In the empirical setting, the managers made a difference between short-term and long-term integration. During the first phase of integration, the short-term integration, the change process was more oriented towards structural integration. In the second phase of integration the concentration was on socio-cultural integration.

Creating a shared frame of reference
In the empirical setting, culture and communication were described as the main problems. One important part of working together was to create a shared language, or as I call it, a shared frame of references. This chapter starts off by describing the problematic situation after the merger further. Then I move on to provide a background to the use of the framing concept in organizational discourse, by describing language and organization.
Pre-merger frames
In the empirical setting, the managers talked about national and organizational cultures in order to describe the problems they encountered after the merger. In this chapter, I try to separate what they meant by the national and organizational culture frames that were used. These pre-merger frames were a starting-point for the integration process.

The Business Academy: An arena for integration (Act I-III)
At the Business Academy the top managers worked with different strategic issues in two-day workshops at different conference sites. These meetings started right after the merger and were institutionalized as a forum for continuous development and learning in the organization. There were some characteristics that make the Business Academy especially interesting for a study of integration. It was the only meeting when managers from all parts of the business attended. Managers from Finland, Sweden and Poland came to the meeting, and there were representatives for all functional groups in the organization. It was also a meeting that was to promote integration, apart from the educational activities that took place during the meetings.

I see the Business Academy as an arena for the integration and assimilation of the management team. Due to the character of the meetings, I have chosen to present the Business Academy as a drama. The meetings are described as acts I, II and III and after each act there is a section of reviews. The reviews are reflections that the managers had when looking back at the meetings. An additional purpose of the description of the meetings has been documentary, to give a detailed description of a management meeting at the beginning of the 21st century.

Frame analysis of the integration process
To get an understanding of how the managers worked at the Business Academy I have looked for patterns in how they talked and acted at the meetings. I see these patterns as representations of different frames that are used, consciously or unconsciously, in the construction of a new social reality. The chapter starts with a description of the frames at each meeting. This is followed by a summary of frames when I also show how the managers used pre-merger frames at the meeting. Then I end the discussion on frames by describing two basic frames that appeared at all three meetings. After the frames, I move into a description of managerial framing activities. In the fabrication of the new frame the top and middle managers used different framing activities at the meeting.

Reflections on the integration process
This chapter is an attempt to elaborate on some aspects of the post-merger integration process. The chapter begins with a summary of how integration has been described throughout this thesis. One important difference was between the socio-cultural and structural approach to integration. In this chapter, I also illustrate how the integration discourse consists of both heterogeneity and homogeneity. I end the
chapter by suggesting that to see the integration as a game could be one way to bring out some aspects that could further the understanding of the social aspects. Based on the game approach, a fair game would be based on an explicit rule system, rather than normative control via shared assumptions.

**Epilogue**
To add a new perspective to the merger, I mention the tension between the two owner families. This conflict escalated to an attempt for a hostile takeover and resulted in a legal process that, while this thesis is being written, is still not solved. By highlighting the difference between the owners and the managers in Cloetta Fazer, I wanted to illustrate how the choice of setting can influence research results, as well as perception of success and failure, in different ways.

**Methodological reflections**
This chapter brings you as a reader behind the scenes to present some assumptions that this thesis is based on. This chapter is somewhat different from the others and I have tried to describe my own process as a developing researcher. Here I write about some of the questions I encountered and had to deal with when performing this study, as well as a description of the field study that this thesis is based on.
Introducing Cloetta and Fazer
ONCE UPON A TIME …

1862 Cloetta was started in Copenhagen by the three Swiss Cloetta brothers

Christoffer, Nutin and Bernhard Cloetta

1850

1891 Karl Fazer opens the French-Russian café at Glogatan 3 in Helsinki.

1895 Chocolate manufacturing begins at Båtsmansgatan 24

1897 Industrial chocolate manufacturing begins at Fabriksgatan 38

1901 Cloetta settles in Ljungsholmen

1900

1917 Svenska Chokladfabriks AB took over the share majority from the Cloetta family. The new company is owned by the Svenfelt family that is still one of the largest shareholders.

Karl Fazer

1989 Cloetta acquires Consiva and Adaco

1890 A joint venture between Cloetta, Fazer and Brynildsen

1988 Fazer acquires A&E Petersen A/S in Denmark

1991 Cloetta acquires Lecora

1993 Fazer Polska Sp. z o.o. starts its business in Gdansk, Poland

1994 Cloetta is listed on the Stockholm Stock Exchange.

1993 Fazer acquires Chymos Ab

1995 - 96 Cloetta acquires Sunco and Again

1995 Fazer acquires the Danish sales company C.K. Chokolade A/S

1998 Cloetta acquires Candelia and becomes market leader in Sweden

2000

Cloetta and Fazer Confectionery merge and becomes Nordic market leader in chocolate and sugar confectionery

6 From www.cloettafazer.se (21 August 2006). Information has been translated and the text has been shortened.
Cloetta was founded in 1862 in Copenhagen by the three Swiss brothers, Christoffer, Nutin and Bernhard Cloetta. In 1900 Cloetta acquired the chocolate manufacturer Svenska Chokladfabriks AB that had been started 1892 in Motala, a small town in the midregions of Sweden, by Olof German Svensson. In 1917, the situation changed and through AB Malfors Promotor the Svenfelt family got the controlling interest in the company. A new factory was built in Södra Malfors, today Ljungsbro, in the Swedish countryside and this is where you find the factory today.

In Ljungsbro, as in many small places dominated by one main employer, a specific industrial community spirit developed: “There are some things about the Ljungsbro spirit that you notice right away when traveling down from Stockholm. There is no internal competition at all in Ljungsbro. You almost think that ‘they must be stupid, no one’s that nice’ but they are. They are not stupid. They just support each other. It’s superb, that’s what it is. It’s really nice.” (Sales Manager 2003) Cloetta has had a central role in the local industrial community and when you drive through Ljungsbro you can see the name Cloetta all around the town, like the soccer arena that is called Cloettavallen. Cloetta as a brand is today still closely connected to Swedish sports life and the company are sponsors to teams and athletes: “Cloetta is the everyday company, everyday products, ‘fun-and-joy’, playful, Kexchoklad, sports. That kind of things.” (CEO 2002).

After a downturn in business, Cloetta made a comeback in the early 1990s and on the 1 June 1994 the company was listed on the Stockholm Stock Exchange, and the company had moved from “being a shabby candy maker to a listed company that generated higher and higher profits” (Production manager 2002). With the acquisition of Candelia in 1998, Cloetta went from third to first place in the Swedish chocolate and confectionery industry with a market share of about 30 %. At the time of the merger, Cloetta was a manufacturing firm on the rise. The country cousin had grown up and moved to the big city.
In 1891 Karl Fazer opened a French-Russian café in Helsinki at Glogatan (Kluuvikatu) 3. Ever since, Fazer has enjoyed a superior position in Finland: “As you must have noticed in previous interviews Fazer is something extra. Maybe you have to live in Finland to understand it but it’s like a national treasure. It’s brand number one. It’s Fazer Blue. A few months ago the ranking of brands came and it’s ranked even higher than Nokia. Blue is still number one even though Nokia is a great success. That means that everybody knows what Fazer is. They imbibe it with mother’s milk and that’s the strength.” (HR manager 2002)

In 1895 Fazer started making chocolate and for over hundred years it has been their core business. The brand Fazer is closely connected to the Fazer family in Finland, and even though the Fazer group has about 13,000 employees it is still perceived as a family company. The company is somewhat of an institution in Finnish society and it is one of the most attractive employers among students. The Fazer family enjoys a privileged position as one of the most prominent families in the Finland-Swedish high society in Finland. By tradition the company Fazer has a large percentage of people from the Finland-Swedish group among the top managers, making Swedish the first language in the company. The integration of family name and brand made quality an important aspect of production, and organizational stories about the quality mind-set were told to managers that started working in Fazer: “When I started working here I was told a story about a guy that called from the Philippines and said ‘Tell those Fazer-people that they can start selling Geisha here, people here would eat an immense amount of Geisha. Why are you not here?’ and at Fazer they said ‘Forget it, not a chance’. Even though Fazer worked in travel trade they were very choosy about where to sell. The hot climate and the long traveling hours in logistic chains was a huge risk. ‘We must be able to guarantee quality’. ‘We can’t get a bad image’. ‘We won’t grab business at any cost.’” (HR manager 2002). Fazer was a quality family and they wanted to remain in that position.
GEOGRAPHICAL PRESENCE

After the merger, Cloetta Fazer had five production units (Ljungsbro, Norrköping, Gdansk, Helsingfors and Villmanstrand), sales offices in Fredriksstad, Ljungsbro, Stockholm, Gdansk and Helsingfors, and head quarters in Stockholm. Most people worked at the production sites but during the time of the study, people moved to the office in Stockholm that slowly grew into the role of the new HQ (previous HQs had been in Ljungsbro and Helsingfors).

7 From www.cloettafazer.se (23 May 2002). The names of the countries have been added.
The five production sites

Cloetta had its background in the factory in Ljungsbro, Sweden, and Fazer in Vanda (Vantaa), Finland. Both factories had a long history and had a prominent role in the local communities where they were situated. Cloetta was situated in the central part of the small industrial community Ljungsbro and dominated the small town as the main employer. Some of the top brands from Cloetta are Kexchoklad, Center and Plopp. The manufacturing of chocolate and confectionery in Finland started at the café in Helsinki but soon, the manufacturing grew to industrial size and moved to other facilities in Vanda outside the city center. Even though the café today stands for only a fraction of the sales, it has remained the heart of Fazer, loaded with nostalgic symbolism. In Vanda, the enormous industrial estate has production for all the units in the Fazer group, including Cloetta Fazer. It is almost like a small community in itself. Production is highly automatic and with top modern equipment. Here you can find Fazer Blue, the brand with icon status in Finland, together with Geisha and Dumle for example.

Besides Ljungsbro and Vanda, there were three other production facilities in the company: Gdansk, Norrköping and Villmanstrand. I will give a brief description of these three factories to show some sub cultures existing within the two main organizations. Each factory has its own history that more or less influenced the way people acted depending on where they came from. The factories have a strong symbolic value as representatives for the manufacturing history and even though I will later talk about Swedishness and Finnishness, I am not referring to a homogenous situation but instead one might think of it as something that might rather be considered to be a homogenous ideal.

Production unit: Gdansk, Poland

During the 1920s there was an economic upswing in the Free City of Gdansk, Poland, and a number of industrial enterprises were started, including three confectionery factories. The oldest factory was Gdansk-Oliwa, a subsidiary of The Anglo-Asiatic Company Ltd. based in London. The other two production plants were Baltic and Kosma that were founded in 1924-25. At that time, over 80 % of the products went to export markets, such as Germany, England and the Scandinavian countries. During World War II the plants had to cut down on the number of employees but remained in business. After the war they became state-owned in accordance with the Act on Nationalization of the main branches of national economy, and the three factories were brought under united management in 1951 under the name Baltyk. Later on, in 1977, a fourth factory was added into the structure of Baltyk.
When the political winds turned in the beginning of the 1990s, the state-owned factory was changed to a shareholder company, ZPC Baltyk. In 1993 a joint venture with Fazer was set-up, the Baltyk Chocolate sp. z o.o. Fazer had 51 % of the shares and 49 % was owned by a Polish group. “In September, 1995, as a result of the Supervisory Board the company took the name of Fazer Polska Sp. z o.o. hereby identifying itself with the whole of the Fazer group.” 8 At that time Poland, with its population of 40 million people and a shift in economic structure, was attractive to foreign investors and they all wanted to be in Poland. “Fazer did the same thing, even though in smaller scale, but when they got here they lacked visions for what to do with the business. Anyway, it gave high status to have activity in Poland. But the hopes we had from the Polish side did not turn out into something real and from Fazers perspective they were very careful and stayed with the things they had. At that time we also had great export sales to Russia, and about half of the production, circa 7 to 8 thousand tonnes, was sold to Russia. You could sell anything there, but that also made us lose concentration on the Polish market and development there. And then the collapse of the Russian economy in 1998 put an end to export sales and we lost 50 % volumes and 65 % of our turnover.” (Polish manager 2003) Then, when Cloetta and Fazer merged, the management group in Poland left the company: “They were Finns and with a very strong connection to Fazer and I think they had a hard time accepting that Fazer merged with Cloetta, the Swedes” (ibid). However, there were indications that they had not left by free will: “I know that it was partly voluntarily but they were more or less pushed out of the organization” (Finnish manager 2003). At that time there were two production units left in Gdansk and when Cloetta and Fazer merged they closed one more,

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8 From Fazer Polska company brochure (undated but probably printed in 1996-1998).
leaving the Polish subsidiary with one production unit, a sales force and a newly appointed management group.

Production line in the factory in Gdansk

Production unit: Norrköping, Sweden

The Norrköping factory started as a confectionery factory in 1887, Svenska Marmelad Aktiebolaget, and craftsmen were brought in from Odessa, Russia. Because of this the marmalade was named Odessa, and you could still find the product on the shelves as late as the 1980s to 1990s. Craftsmen were also invited from Switzerland since they were renowned for their chocolate manufacturing skills. In 1927, a new factory was built in the city center of Norrköping and by that time the name had changed to Svea Choklad AB. It was a respected establishment in Norrköping with prominent people on the board of directors. Then, during the Second World War, the business got distribution problems and in 1950 the company was sold to ICA. At that time the food industry chains were growing and they were buying production facilities and brands. At the same time, the Consumers Cooperation (COOP) bought a confectionery manufacturer in Kalmar and named it Nordchoklad. In the restructuring era of the 1990s Svea Choklad and Nordchoklad merged 1993 under the name Candelia (a combination of small entrepreneurial private ICA owners and the consumers’ cooperation organization). To have ICA (Spira) as the owner created a stable situation for growth, since 95% of the products were sold to ICA. Although, this did not mean that Candelia could lean back and enjoy the ride. ICA is a strongly market oriented company and demanded that Candelia worked on creating effective operations for production in

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9 One of the top three chain stores for groceries in Sweden, together with COOP and Axfood.
what at the time was the second largest company in the Swedish confectionery industry. Despite the market position, Candelia had financial problems and when Spira decided to concentrate on core business, Candelia was put up for sale in 1998, and was bought by Cloetta.

The factory in Norrköping

In the interviews, the managers in Cloetta stressed that Candelia was an acquisition and that Cloetta and Fazer was a merger and that this has great implications on how to integrate the organizations. In the acquisition of Candelia, the factory in Kalmar was closed and production moved to Norrköping and Ljungsbro. The people in Kalmar demonstrated and formed action groups against the closure but to close the factory in Kalmar was one of the business advantages of the acquisition. Another was that Cloetta acquired size and took the leading position on the Swedish confectionery market with about 30 % market share. The factory in Norrköping had one top brand, Polly, and was strong on jelly products and sugar confectionery.

Production unit: Villmanstrand (Lappeenranta), Finland

The factory in South Karelia, eastern Finland close to the Russian border, was founded in 1906 by the wife of engineer Enkvist and she was interested in taking care of the fruits of the forest and turning them into jam and juice. Together with her husband, she tried to make the production more industrialized and they named the factory Chymos, which is Greek for juice. The factory was moved from Imatra to Villmanstrand (Lappeenranta) in 1922 and the confectionery production started in 1934. During a downturn in business in the middle of the century, the Enkvist
sons sold the factory. Chymos started to manufacture children’s food as well as jams and juice, but when Fazer acquired Chymos in 1993, they kept the confectionery business and sold off food production to Nestlé and the brewery to Marli. Marli and Chymos became the Nordic Wine Group that was later sold to the Swedish Vin & Sprit. When speaking about the acquisition made by Fazer, the people in the factory in Lappeenranta wanted to describe themselves as different from the people in the capital, Helsinki. They said that people in Karelia were very talkative. One manager said that this was because they did not rely on others and wanted to keep a distance by talking. When Fazer acquired Chymos, the difference between people from Chymos and Fazer were obvious. “A practical example is that Chymos people explained that ‘they (Fazer) don’t trust us and they don’t respect us. They want us to have this model. They don’t care for anything that we have done well here in Lappeenranta.’ During integration the Chymos people understood that integration was when the Fazer guys came from Helsinki and said ‘we will do it in that way in the future’ but the Chymos people wanted to discuss and say that ‘this is the model that we created here in Lappeenranta’. They were proud of what they had done earlier, and they understood that from the Fazer side they expected Chymos to be an old-fashioned kind of company.” (Production manager 2003)

The factory in Villmanstrand

Some of the top brands in Villmanstrand are Marianne, Tyrkisk Peber, Tutti Frutti and they also manufacture marmalade confectionery, like Gröna Kulor (Vihreitä Kuulia). They also have some local top brands in Finland, like Pantteri, Omar and Ässämix.
ARRANGING THE MARRIAGE

There had been discussions about a possible merger between Cloetta and Fazer since the 1970s, and they had worked in production alliances. When Fazer bought Mazetti in Malmö in the 1970s they moved the production to Ljungsbro and Vanda, and in 1990 Cloetta and Fazer had a strategic alliance in production (situated in Ljungsbro) but after some difficulties they went separate ways and Cloetta took over the shares in the production alliance. However, there was still mutual interest but maybe for different reasons: “From the Cloetta perspective I think it was about cutting costs. We were too small and in Sweden we were considered number two, the country cousin. Marabou had been number one since the 1950s when they passed Cloetta in size. Cloetta was dormant and old fashioned. We had capacities in production but did not really achieve profitability. We needed to raise volumes, get economies of scale and we made heavy investments in the early 1990s in production. We modernized and most important was to get effective automatic packaging machines. So from the Cloetta perspective it was about getting more volume in the factories. Concerning Fazer I don’t know but I can guess that they saw a possibility to become part owner in Cloetta and then get the possibility to in the longer perspective get their hands on Cloetta. That’s what I think the Fazer side wanted.” (Swedish manager 2002).

The combination of Cloetta and Fazer had many advantages. The products were complementary with different target groups and together they would have a strong brand portfolio. They also had two strong home markets, Finland and Sweden, and at the time of the merger, they were both number one in the confectionery industry on each market. Cloetta had worked in a sales alliance in Finland while Fazer had a sales organization in Sweden that was integrated in Cloetta AB after the merger. In Denmark and Norway they both had quite a small position but grew larger when the volumes for the two organizations were added together. To merge two production companies was also a way to match the consolidation that was going on among the customers: “COOP, ICA Ahold, and the other chain stores consolidate on a Nordic level. If they act on a Nordic level it’s good if we too are there and can deliver products in all their countries using the same system.” (Swedish manager 2002).

The organizations matched on several areas and the combination was a strategic move to meet future challenges, but in contrast to these formal motives the initiation to the merger was quite informal. The Swedish CEO described it like this: “Fazer had a new CEO and I called him because he had spoken rather carelessly in Finanstidningen (a Swedish business magazine) about Fazer’s ambitions to acquire other companies. I knew that the journalist who wrote the article had a tendency to exaggerate things but anyway, it gave me a reason to call him and we set up a meeting. Right before Christmas (1998) he came to see me and we had not planned to talk about a merger but simply to take a stroll around the factory and talk about business in general, but then all of a sudden he said ‘Never mind the
factory, let’s talk about merging’. ‘All right’ I said, ‘I know how we should do it’. ‘Yes, me too’, he said. When he left after a few hours we had a master plan for how we would do it.’ (CEO 2002) After that the two managers presented the idea before each board respectively and convinced them to move on with the plans. On the 8 December 1999 the merger was announced in a press release. The merger meant that the two organizations had to deal with yet another major organizational change on top of the already ongoing organizational restructuring: Cloetta was working with the integration of the acquired Candelia and the new CEO in Fazer had initiated an extensive organizational change project in the Fazer group.

SUMMARY OF “INTRODUCING CLOETTA AND FAZER”

This chapter in short: to give a historical and geographical context

The purpose of this chapter is to give historical and geographical contextualization of the two organizations. Both Cloetta and Fazer had been in business for over hundred years, and this was something that people in the company talked about in a very positive way. There had been collaborations between the two companies before the merger, but most people working in the organizations did not know much about the other. Concerning the historical and geographical contexts, Cloetta and Fazer seemed to have many similarities. They were old companies situated in the Nordic area, and they had previous experiences of managing acquisitions. In this chapter I also presented the subcultures at the production units in order to show that organizational culture is not a unanimous phenomenon. I will further describe the differences between Cloetta and Fazer in the chapter Pre-merger frames.

Reflecting on integration

Why was it so hard for two organizations situated in the same corner of the world and with a similar history to agree on how to work in the new set-up? The companies, represented by the CEOs, approached each other and agreed on performing a merger of equals. They had worked in production collaborations before the merger and when the merger was announced the people in the company saw the similarity in age as something implying that it was a stable partner that they would engage with. When the integration started, people were surprised when they encountered big problems related to differences between the two organizations. Could it be that history and geographical closeness actually was a hinder rather than a condition for integration and understanding? To have a long organizational history in this case meant that they had developed stable routines for how to work and that the way of working was taken for granted in the organization. The way of working had not been spoken about, but after the merger, the obvious solution was not so obvious anymore and they had to motivate and discuss their way of working. This created confusion and frustration among the employees and resulted in a struggle to defend
their own way of working. The old age of the companies was also used in branding and the old company names were brands as well as organizations, which could have strengthened people’s emotional attachment to work in line with what the brand symbolized. When it comes to integration, I think that the reaction to protect one’s way of working comes naturally to most people for many reasons, but in this case, old age as an important part of the brand intensity maybe gave a false impression of sameness when they should have talked about it as an obstacle instead.
The Post-Merger Integration Process
THE FIRST PHASE OF INTEGRATION

Rapid integration to achieve synergies

Integration phases

The idea of dividing the integration process into phases is quite common, and often researchers use three stages to describe the process: pre-announcement with due diligence, pre-merger, when the planning is done, and integration implementation (Aguilera and Dencker 2004). The American company, GE Capital, developed a phase model for integration based on their many acquisitions. This model has four main phases: preacquisition, foundation building, rapid integration and assimilation. Preacquisition is when due diligence and negotiation is done, and when the deal is closed the next phase, foundation building, starts. A strategy is developed together with an integration plan. This is followed by rapid integration when the integration is implemented during an intense period of time. The last phase, assimilation, is when looking at the long-term development of issues such as common tools, practices, processes and language (Ashkenas et al 1998). GE’s model is based on phases in time. Another way to divide a process in phases was developed by Birkinshaw et al (2000) who separated human integration and task integration in a framework for integration management. The task integration process was about the identification and realization of synergies and the human integration process was about creating a positive attitude towards the integration among employees. In Cloetta Fazer, the managers talked about two phases based on both a time perspective and a division in human and task integration: the rapid integration to achieve synergies and the long-term integration to create a feeling of being one company. They also recognized that the negotiation phase before the merger influenced the following integration process and that the overall planning had to be done when the deal was closed, although they did not talk about this as a part of integration (see figure 1).

Figure 1. The two phases of the integration process in Cloetta Fazer.

In 1998, Cloetta had acquired Candelia, one of the top three confectionery companies on the Swedish market, and during that integration process they developed a detailed plan that was reused during the first phase of the integration

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10 For a review of literature concerning the integration process, see for example Schweizer 2005
between Cloetta and Fazer. “What we learned from the Candelia case was that this way of working went well. It was important to work fast and get things moving. These project groups had to start early. They had to set their goals, quantify them in financial figures, and make time tables so that we knew what would be done by such and such a date. We had deadlines all the time” (CEO 2002). So even though the managers emphasized the difference between a merger and an acquisition, the first phase of integration was performed in a similar way, when speed and structure were crucial in the remake of a new organizational set-up.

Integration projects
The rapid integration was performed by people working operatively in the company and they managed the integration planning and implementation in a parallel organization: a merger coordination council. This council was organized in projects and an integration board was in charge of the fifteen main projects. The projects dealt with the integration of sales forces on a country basis, integration of business areas (production, purchase, logistics, accounting, finance, IT and personnel), integration of assortment and warehouses, and communication and identity during the integration process. Fazer had quite a large sales force in Sweden and the combination of the sales forces on the Swedish market was one of the largest changes made. Some prioritized areas in 2000 were:

- Coordination of group management
- Coordination of sales and marketing in Sweden
- Merging administration, economy and IT in Sweden
- Merging warehouse and logistics in Sweden
- Coordination of travel trade, tax free and export departments
- Coordination of the business in Denmark
- Coordination of purchasing departments
- Coordination of investment plans

The integration board consisted of the CEO, two vice presidents (one from Cloetta and one from Fazer) and a project secretary. In the projects, a project manager chose the participants for the small work groups of about five people and their task was to achieve synergies. The work groups had to be a mix of people from Cloetta and Fazer. They would report in writing to the integration board that would either approve the suggested actions (green light) or disapprove (red light) and then they had to rework the plan. The main purpose behind the projects was to find synergies in order to fulfill the goal of SEK 75 million mentioned in the press release before the merger: “To be honest we prioritized quick wins to improve the result to be able to show this to the organization and to the stock market. That’s what one does. We do it to show that we are moving in the right direction and to get internal and external credibility” (Finnish vice president 2002).
Some of the major changes that were done during the rapid integration were that new organizational structures were created, the head quarters were moved, and the two sales organizations in Sweden were combined.

**A functional and a matrix structure**

After the merger, the company had two organizational structures: a functional structure and a matrix structure. The functional (legal) structure was similar to the way they had worked in Cloetta before the merger and this was the organizational chart used by the CEO. The successor\(^{11}\), the Finnish vice president, on the other hand, used a matrix structure to illustrate the multitude of the merged organization and the need for cooperation. The matrix structure was similar to the way they had worked in (parts of) Fazer before the merger. Thus, there were two different organizational charts in the company. I will get back to the organizational structures in the chapter *Pre-merger frames*.

**New head quarters**

New head quarters were set up in Stockholm for the merged company. The old head quarters had been in Ljungsbro, Sweden, and Helsinki, Finland. The new head quarters was placed in Sweden, since Cloetta was listed on the Stockholm Stock Exchange, and it was situated in the Fazer facilities in Solna, North of Stockholm, where Fazer had sales offices for their other businesses. The move of head quarters was a very sensitive issue but it was also described as something that strengthened the vision of being a Nordic company. Another aspect of the new office was that it was said to promote integration: “*In the beginning it’s incredibly important to create routines together and we can only create that by being together. We can’t do that at meetings where we only come to a decision. The discussions around decisions come up in between the meetings, at the coffee machine and when we meet during fika\(^{12}\) and discuss. If you don’t have that nearness to the organization you don’t get the best decisions. And this way we also get away from the old, ‘away from Ljungsbro’ and ‘away from Vanda’ and we can build something new here in Solna.*” (Finnish vice president 2002).

**Combination of sales forces**

All integration projects started right after the merger but from the start there were concentration on getting the sales forces together. In Sweden there were two quite large sales forces that would be integrated and in this process, communication was the alpha and the omega. From the very beginning, the two sales managers, one from Fazer and one from Cloetta, focused on reaching every single co-worker on a

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\(^{11}\) Since the CEO was to be retired in 2002, a successor was appointed soon after the merger and it was the Finnish vice president who would be replacing the CEO.

\(^{12}\) Fika is a kind of social gathering when people sit down and have a coffee and something to eat during breaks.
regular basis to inform them about what was going on. One aspect of this was to inform people not only about what they knew but also about what they did not know at the time. One such example was that they would not know how the new sales force would be structured until April 15, and this was told to the sales forces from the beginning so that they would not have to speculate about this and could concentrate on the objectives for February, March and April instead. The two sales managers, aware of their symbolic value, also worked hard on being perceived as a team by the people working in sales and when they announced who would take the role as the new sales manager they did this together. Even though this was the largest restructuring that was made in the merger, the integration of sales forces went quite smoothly. “At the last sales conference we had in Stockholm there were 150 people from both Cloetta and Fazer, and there is a great spirit in the sales force and that is an important factor if things are going well. They can sense if things are not right and if you leave a sales conference that had a bad atmosphere you know that things are serious, but if things are the other way around you can feel good about the business.” (CEO 2002)

In addition to the integration of the sales forces there was another project that had a high priority from the start: the identity project. I will come back to this project later on as it formed the origins of the Business Academy meeting that has been the focus of this study. I would just like to mention that already from the beginning, the integration of the management group was high priority. One reason for this was based on requirements from the pooling technique that stated that the two management groups from Cloetta and Fazer had to work together on an equal basis.

Integration frameworks

Approaches to integration in the literature
To get an idea of how the approach in Cloetta Fazer is related to studies on the area, I will here briefly mention some integration frameworks. One thing that these frameworks have in common is that they describe approaches based on the degree of integration between the merging organizations. I have already mentioned that the integration and assimilation concepts by Nahavandi and Malekzadeh worked well to describe the empirical problem. Therefore I start with describing this framework. Then I move on to give examples of other frameworks. This is done so that I can compare frameworks and see if this comparison can provide some additional ideas about how to conceptualize integration.

Acculturation
There are several researchers who have presented frameworks for integration. In the 1980s, when culture theory was the latest fashion, Nahavandi and Malekzadeh (1988, 1993) worked with four approaches to acculturation in mergers and acquisitions. Both the acquirer and the acquired firm used the approaches: integration, assimilation, separation and deculturation. *Integration* refers to the structural
combination of organizations, assimilation is when one organization willingly adopts the other organizations culture, separation is when the organizations start to protect and strengthen their old culture, and if people ignore cultural issues one could talk about the fourth approach, deculturation. Nahavandi and Malekzadeh used these approaches to talk about mergers on an overall level, but in the study of Cloetta Fazer it was obvious that different approaches were at work in the same situation, with the exception of deculturation because the managers recognized cultural belonging as important.

Organizational combinations
In addition to the cultural approach, other authors have described frameworks for organizational combinations in general. In line with the acculturation model they work with different degrees of integration, often ranging from no integration at all, when the companies continue as before but with new owners, to full integration, when the companies combine all their systems and structures.

Haspeslagh and Jemison (1991) worked with the factors strategic interdependence and organizational autonomy to suggest four approaches to integration: absorption (high need for strategic interdependence, low need for organizational autonomy), preservation (low need for strategic interdependence, high need for organizational autonomy), symbiosis (high need for strategic interdependence, low need for organizational autonomy), and holding activity (low need for strategic interdependence, high need for organizational autonomy). Apart from the holding approach, that constitutes a non-existent integration, the authors meant the factors to work as useful metaphors to guide the integration task since they also recognize the ambiguity of the practical situation that each manager faces. A similar categorization was made by Mirvis and Marks (1992a), who described possible combination structures for different degrees of integration. They talked about five strategies, ranging from none to full integration, for looking at the combination structure: separate holding, strategic control, managed subsidiary, operational control and finally, merged and consolidated. The degree of integration will affect different areas of integration, from integration of corporate functions, production and marketing to company-wide integration. If a company goes for full company-wide integration towards consolidation, an integration of operations and controls and cooperation of line management become prioritized areas for managers. In a later version the authors reworked their approaches to absorption, preservation, best of both, transformation and reverse merger (Marks and Mirvis 1997). Mirvis and Marks also highlighted some differences between two styles of integration, depending on if the integration was characterized by domination or by participation (Mirvis and Marks 1992b).

The frameworks for organizational combination above, suggest different approaches to integration in a general sense, but Schweiger (in Schweiger and Goulet 2000) noted that different types of approaches could be used depending on the
functions, geographical areas and product lines involved. According to Schweiger the four approaches are combination, standardization, coordination and intervention. Combination is about the extent that functions and activities are physically consolidated, while standardization is the extent to which functions and activities are standardized and formalized, which means when separate operations can be maintained but the operations are made identical, often based on the transfer of best practice. Coordination is about the extent to which functions and activities are coordinated, and this can be for example the coordination of distribution channels. The fourth approach, intervention, is about interventions to make turnarounds of poor cash flow or operating profits in the acquired company and this is maybe more frequent if the acquired company has financial problems at the time of the merger.

**Integrative mechanisms**

The degree of integration also depends on the task at hand. Shrivastava (1986) differentiates between procedural, physical and managerial and socio-cultural tasks. In each area, managers must deal with coordination, control and conflict resolution. Examples of procedural tasks can be to design accounting systems for coordination, to design a management control system and to eliminate contradictory rules and procedures. Physical integration can be about the coordination of resources, how to measure and manage the productivity of resources and how resource allocation can be made to avoid conflicts. Coordination for managerial and socio-cultural integration is done when organizational structures are changed and integrator roles are established. Control is performed via reward systems and the allocation of authority, and stabilizing power sharing often minimizes conflicts. Shrivastava mentions some organizational arrangements that have been proposed as integration mechanisms, such as creating integrative roles, forming a hierarchical structure and using a matrix organization.

One variation of culture is to talk about administrative heritage as relating specifically to how things ought to be done. In a survey of perceptions of the administrative approach used by the acquiring forms to establish control, four types of integrative mechanisms were examined: structural control, systems control, managerial transfer and social control (Lubatkin et al 1998). Structural control refers to the degree of autonomy in the acquired firm, from operating as an autonomous unit to a full integration into the acquiring firm’s structure. System control has to do with the limits of decision making. It is about whether acquired unit are allowed to make their own decisions or if they have to follow headquarters decisions on key areas, which restricts the subsidiary’s professional autonomy and increases its dependence. Managerial transfer is when the acquiring firm staffs key positions with its own managers. Socialization control is somewhat different compared to the other three, and does not rely on formal authority. This is control by creating a climate of cooperation, communication and teamwork that will encourage managers to voluntary conformism. In the survey of the four integrative mechanisms they found that
“a transnational solution requires a firm to unlearn its ethnocentric administrative routines and replace them with more universal routines” (Lubatkin et al 1998, p. 681). This is similar to the idea in Cloetta Fazer when they talked about creating something new and shared. Although the managers talked about a Nordic way of working and Lubatkin used the word universal, I think this is interesting since it seems to be based on the assumption that there is one right way of working out there somewhere.

**A summary of integration frameworks**

The different approaches mentioned bring out different perspectives on the integration process. Something that they have in common is that they mention the two modes socio-cultural and structural integration in some way. Socio-cultural integration concerns the degree to which people are expected to interact and engage in the creation of a new social system. Structural integration concerns the degree of integration of functional systems. When I grouped the approaches according to this twofold classification, there were few concepts that described a high degree of socio-cultural integration and no one that described a situation when companies were engaged in merging towards a high degree of both socio-cultural and structural at the same time (see table 1).

<table>
<thead>
<tr>
<th>Socio-cultural integration/ Structural integration</th>
<th>High</th>
<th>Low</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Separate holding, strategic control, managed subsidiary (Mirvis &amp; Marks 1992a)</td>
<td>Operational control, merged and consolidated (Mirvis &amp; Marks 1992a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coordination, intervention (Schweiger &amp; Goulet 2000)</td>
<td>Combination, standardization (Schweiger &amp; Goulet 2000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managerial transfer (Lubatkin et. al. 1998).</td>
<td>Structural control, systems control (Lubatkin et. al. 1998).</td>
</tr>
</tbody>
</table>

Table 1. Summary of integration frameworks based on the socio-cultural and the structural modes of integration.

It has been shown that a high degree of acculturation takes a long time to reach, if it ever does, and the reason was that managers tend to lose focus on the integration
and ineffectively manage the process (Yu et al 2005). It is possible that some of the authors who work with variations of high degree of structural integration do so with the understanding that a high degree of structural integration requires a high degree of socio-cultural integration. However, since there is little focus on a high degree of socio-cultural integration I see a need to explore this aspect in more detail, not the least since the managers in Cloetta Fazer expressed cultural integration as important. In addition to this, other studies have pointed to socio-cultural integration in relation to context as an interesting area for understanding the integration process (Søderberg and Björkman 2003). On a general level, the first phase of integration in Cloetta Fazer concerned the structural integration, while the socio-cultural issues continued to require attention during the second phase of integration.

Socio-cultural and structural integration in Cloetta Fazer

The Cloetta Fazer merger had two main goals: to achieve cost synergies of SEK 75 million per year in 2000-2002, and to combine the brand portfolios to create a stronger portfolio to meet future challenges. The company achieved the financial goal in good time, partly because the managers made reasonable estimations of possible synergies before the merger and partly because the strictly controlled rapid structural integration to find quick-wins in project organization worked out well (even though the process was extremely tiring for the people involved). This also had a positive effect on the share prices, and from a financial perspective the merger was a success.

However, when it came to the goal of combining the brand portfolios this work did not flow as smoothly since this was to a great extent a matter of socio-cultural integration due to the emotional connections between brands and people in the company. To give one example that is well known among the managers in the company, I can mention an incident that took place during the negotiation process before the merger. The board made decisions concerning the brands during the negotiation process since the brands were the most critical asset for the company. During these negotiations, one of the managers suggested that the Fazer brand Dumle should be moved under the Cloetta umbrella since they had the same target group and similar colors in packaging. This made one of the Fazer family board members cry out loud: “Over my dead body!” And “then the inferno started. This was a deal breaker and some of the Fazer owners reacted strongly to this. They went on about this and it almost overturned the deal. We had to write in the contract that brands could not be moved.” (Manager 2002). To understand these strong emotional connections to brands one has to look at their relation to culture and identity, and I will do so below. Before that, I want to make a short comment on the time perspective in relation to integration.

From a financial perspective one could say that the integration was over after two years and then it was business as usual. However, the integration of brands, and
indirectly of the management group, had to be approached with a long-term perspective. The idea about the two different phases in the integration process was prevalent among the managers in the company and the Finnish vice president expressed the change from short-term to long-term focus during the integration process like this: "The integration projects are over now since we can’t find more quick wins. And the company has a structure so that we can work as one company. But now when the projects are over, the process begins. The integration process towards really becoming one company" (2002). This quote stressed the shift of focus in the integration process. While the projects could be ended after they had achieved the synergies, a lot of work was still needed to integrate the human side of the organization. The structural integration was done, but the soft sides had to be continually managed so that people felt like they were one company.

THE SECOND PHASE OF INTEGRATION

From hard to soft issues: possible dysfunctions on the soft side

The second phase of integration was to work with the soft side of the organization, and one focus area for the managers in Cloetta Fazer was cultural integration. The reason companies address (or at least should address) the soft sides are that they can give rise to serious dysfunctions, both on an organizational and an individual level. On the individual level, dysfunctions can be a sense of loss, feelings of grief, eroded trust, preoccupation with the merger, idealization of the old culture, rumor mongering with worst case scenarios, and personal and marital discord, while on the organizational level dysfunctions concern lowered commitment, lowered quality, lowered productivity, decreased satisfaction, disloyalty, increased turnover, absenteeism, cross-unit conflicts, leadership struggles, power struggles, inefficient use of time, culture clashes, stereotyping, non-production, general increase in dysfunctional behavior and resistance to change (Buono 2003). This is sometimes referred to as *merger misfit* (Mirvis and Marks 1992a) or the *merger syndrome*. During the 1980s researchers and managers came to understand the importance of considering the cultural aspects of business (e.g. Nahavandi and Malekzadeh 1988), but understanding that culture can cause problems during the integration is not enough. Managers have to work with culture in different ways but that is not easily done due to its illusive character. Sevenius (2003) means that the main part of integration is characterized by managers’ and employees’ improvisation, setbacks, adaptation, coincidences, “putting out fires”, intuition, reactions and learning. This requires projects with a focus on communication and flexibility when tuning in with the emerging organizational format.
Integration of culture, identity and brands

If we look at national culture in the merged company we have an interesting situation since “the logic in Finnish-Swedish mergers and acquisitions is not fundamentally different from other cross-border collaborative arrangements. However, a paradox of cultural proximity exists in Finnish-Swedish collaborative arrangements” (Vaara 1992, p. 118). And maybe there was a paradox of cultural proximity concerning the organizations as well: “The way we organize is similar. The customers are the same. We have the same kind of products and systems in principle. It’s really two identical companies on a mature market that merge and then it’s quite easy for people in the business to see what you can do in terms of efficiency and synergies.” (Swedish finance manager 2002). This statement stood in contrast to the references to national and organizational culture used to explain problems with organizational way of working.

The old cultures were tightly connected to Cloetta and Fazer, both as the brands and as organizations. In the negotiations before the merger, the adding of a third hierarchical level in the brand hierarchy had solved this (see figure 2). Cloetta and Fazer became umbrella brands assembled under the new corporate identity13: Cloetta Fazer.

To preserve the value of the brands was critical for the company: “We can’t move too quickly and say that ‘now we are Cloetta Fazer and we do something new’. We

13 There are authors that see identity as the main factor for understanding integration problems (Kleppestø 1993, Zaheer et al 2003). I see culture, notions about what we do, and identity, notions about who we are, as two sides of the same coin. However, there are two reasons that I mainly use the culture concept in the text. Firstly, it was the word used by the managers to explain communication problems and secondly, culture as expressed in what they do (and say) show where I have put the theoretical focus, i.e. not on the internal individuation process but on what is going on in a social setting.
have to remember where we make our money, where the knowledge is, and we have
to work with our traditions. It’s two 100-year-old companies and we can’t think
that we can change from one day to another and become a new company. We have
to bring our history with us.” (Swedish manager 2002). But while it was important
to keep the value of the brands, the managers of the company wanted to create
something new, based on best practice: “We were meant to create a win-win
situation, to take the best from both, pick the raisins out of the cake, and implement
this throughout the organization” (Finnish manager 2003). This type of merger
could be described as a collaborative merger. “Collaborative mergers occur when
success is dependent upon the integration of operations or exchange of technology
or other expertise. In genuine collaborative mergers, where partner equality is
recognized, differences in organizational culture are seen as potentially adding
value to the partnership. The success of this union (or modern marriage) depends
on the ability to integrate the two cultures, and create a new unified "best of both
worlds" culture. This represents a win/win scenario.” (Cartwright and Cooper
1993, p. 64).

Functional cultures

To understand a complex situation such as cross-border integrations, it can be fruit-
ful to take an ambiguity approach. This means to recognize multiple voices that
exist in the companies involved (Risberg 1999). The managers in Cloetta Fazer
were not a uniform group. I have mentioned how they used national and organiza-
tional belonging as a way to categorize people. Another category among the
managers was functional belonging. Some people used functional cultures to
explain how they had worked in the integration process.

The integration of the marketing departments was described as the most difficult
area in the company and they had changed the manager in charge four times during
the first three years. To explain the difficulties within the marketing department
people in the company said that it was because people working in that area were
“emotional people and they are supposed to be that way”. The people working with
integration in production had their own projects during the rapid integration, but
they were not forced to integrate in the same way as the people on the sales and
marketing side. In the interviews three years after the merger, production people
said that they had hardly started integrating the units, but they had worked out a
strategy for restructuring production. Even though they had not worked much
together, production people were described as working in a more systematic way.
“We draw a flow chart and then we look and then we evaluate what is best and then
we choose that one, but more often we take one and then improve it with knowledge
and experience from the other.” (Finnish production manager 2002). One differ-
ence between marketing and production was that in marketing they talked about the
integration of people, while in production they talked about integration of system
and product lines.
The finance and IT department as well as the HR department were talked about as areas that were smoothly integrated. In HR they shared an ideology about providing growth opportunities to people in the company and they also left room with some issues for working on a country level. Thus, they settled for some shared activities while most of the work was adjusted to a country situation. In finance and accounting they were described as even more in line with each other. “In finance you find rational thinking and the most rational people. A five looks exactly the same in Finland and in Sweden and finance is strongly regulated by laws, regulations, and recommendations so that doesn’t leave much room for interpretation. Debit is on the left and credit is on the right. They live in a similar world and they work very well together.” (Finnish finance manager 2002). The financial accounting situation, regulation and practices are sometimes seen as the same or similar for the Scandinavian and Nordic countries and one reason could be that these countries are interested in following global development (e.g. Jönsson and Mouritsen 2005). In this respect people in the finance department shared an idea about a way of working.

Even though the managers claimed that functional cultures made it easier to integrate groups, this did not help when it came to the management group attending the Business Academy, since this group consisted of people from all functions. In the next chapter I will start with a description of the communication problems experienced by the managers in order to provide a background as to why it was important to strive for a shared frame of reference.

SUMMARY OF “THE POST-MERGER INTEGRATION PROCESS”

This chapter in short: to give a context to the Business Academy meetings

This chapter is intended to give a context to the Business Academy meeting by briefly describing the integration process from the beginning. In the empirical setting, the managers described the integration process as consisting of two phases, the first one of rapid integration and the long-term phase as the second phase. The first phase was about carrying out the integration plan from day one after the merger and this process was similar to how integration is described in the M&A literature. The managers worked in a project organization parallel with their operative tasks. Their goal was to achieve the synergies promised to the market by looking at some prioritized areas and these projects were ended at the latest during 2002 when the retiring CEO declared the integration complete.

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14 Merger and acquisition
Even though the integration was declared over, the succeeding CEO and a majority of the managers felt that the integration had hardly even begun in 2002, two years after the merger. The reason was that they were experiencing problems when working together in cross-border constellations combined with the idea of a possibility to achieve more synergies by looking at best practices in the organization. The second phase of integration was about the soft side of organizing, and the literature shows that there is much to lose by not paying attention to these aspects. Thus, the structural integration was carried out during the first years, but when it came to the socio-cultural integration, the managers still had much to do three years after the merger. One important part of socio-cultural integration was said to be creating a shared culture, or according to my approach, a shared frame of reference.

A chronological summary of the post-merger integration process

2000

- Cloetta and Fazer Confectionery merged in January.
- Formation of an integration board and about 10 integration projects to manage the prioritized areas started. During the first year the integration board and project leaders met 1-2 times a month to decide how to proceed.
- The organization had two parallel organizational structures: the CEO used a functional structure to describe the organization while the vice president used a matrix structure. Since the CEO would retire in 2002, the vice president was appointed successor early on in the process.
- The identity project took place at Lejondal in March (the first Business Academy meeting).
- The merger of the sales forces in Sweden was completed in May.
- Business Academy meeting in December (strategic analysis).

2001

- Business Academy meeting in March (market analysis).
- Business Academy meeting in August (strategy development I).
- Business Academy meeting in November (strategy development II).
- Change of president for the marketing department.

2002

- Business Academy meeting in January (strategy development III).
- Start of thesis study in January: interviews.
- Business Academy meeting in May (strategy development IV).
The CEO stated that the integration process was over and the synergies were achieved.

Change of CEO 30 June.

The new CEO wanted to emphasize the matrix structure in order to show how additional synergies could be achieved.

According to the merger deal the Fazer owners were to sell a specified amount of shares before 30 June. They sold the shares to Sampo (a company with relations to the Fazer family), something that enhanced the conflict between the owners.

Business Academy meeting in November (Businessmanship theme), start of observations of the meetings.

2003

The new HQ in Solna, Stockholm, was fully manned three years after the merger.

Cloetta Fazer Confectionery awarded the title one of the Best Workplaces in the EU.

Business Academy meeting in March (Leadership theme).

Production meeting to introduce a major restructuring plan whose purpose was to focus production in each factory on a few product categories or brands.

The article “Family fight in the Chocolate factory” was published (Veckans Affärer 28 April).

Change of CEO for the marketing department.

Planned but cancelled Business Academy meeting (September).

Business Academy meeting in December (Strategy theme), the final meeting in the observation study.

2004

Announcement of the closure of the factory in Norrköping (September) during 2005/2006.

30 employees in production were given notice in Vanda in November.

2005

Oy Karl Fazer Ab made a public offer to the shareholders to sell their shares to Fazer in February: An attempt for a hostile takeover.

The board of Cloetta Fazer AB recommended the shareholders not to accept the offer in March.

Announcement of closure of the factory in Poland, Gdansk in March.
Reflecting on integration

In this chapter there are two things that I would like to highlight in relation to integration: what we can learn from the literature and what the division into two phases concerned.

What can we learn from the literature about integration? In this chapter, I looked at some integration frameworks found in the M&A literature. By making a simplification of the integration process into two modes of integration, socio-cultural and structural integration, I was able to compare the approaches to integration described by authors working with different aspects of integration. Socio-cultural integration covered integration of the soft side, such as culture, identity, etc. and structural integration was about the so-called hard issues like systems, finances, etc. When comparing the frameworks, I found that there was only one approach that described a high degree of social integration: assimilation (Nahavandi and Malekzadeh 1988, 1993) and no one talked about an approach characterized by a high degree of both social and structural integration. This stood in contrast to the empirical setting, where the managers expressed a desire for high social and structural integration. Was it the managers that had unrealistic demands on the degree of integration or was it the frameworks that were outdated and could not describe what it meant to work in an organization in the 21st century?

Why did the managers talk about a first and second phase of integration? One reason was that they each focused on the soft and the hard sides of integration respectively. The hard side, the structural issues, was dealt with during the first rapid phase and during this period speed was critical. One reason that time was a main factor during this phase was that they needed to achieve the synergies that they had promised to the shareholders. This was done by some major restructuring projects in the organizations, such as merging the sales forces in Sweden. Another reason was that they needed to integrate the organization to such an extent that they could continue business as usual. Maybe one could even agree with the CEO who claimed that the integration was over in 2002 since the company had achieved the goals set before the merger in good time. Then the development after 2002 would be ordinary organizational development, not a continuum of the integration process. There was only one problem with this assumption: the people in the organization felt that there was a need for further integration based on the problems they experienced when working cross-border. This is why I think that it is useful to talk about a short-term and a long-term phase since socio-cultural integration takes time. The socio-cultural integration actually started at the same time as the structural integration but it had not reached a satisfactory level two, three years after the
merger. One example of a combination between structural and socio-cultural integration was the identity project that started as an integration project on a structural level, with the construction of a graphic corporate identity, but changed into a long-term meeting for socio-cultural integration: the Business Academy. Then we have the question of what it meant to be socially integrated. One manager said that it was more like a feeling, rather than something you could actually see or measure. The differences between socio-cultural and structural integration are interesting since they mean that to deal with the integration process is to work on two levels of logic at the same time.
Creating a Shared Frame of Reference
THE NEED FOR A SHARED FRAME OF REFERENCE

Communication as an integration barrier

As described in the beginning, the managers encountered communication problems after the merger. While the flow of communication and information can take a variety of forms, such as e-mail, videos, etc., face-to-face contact is the richest medium available (Appelbaum et al 2000). Even though managers might see communication as crucial to the process, it is not always addressed in a systematic way. Reasons for this can be that communication is not legally required, it can be time-consuming for managers and it might involve tough messages that are hard to deal with (Hutchison 2002). Already at the first management meeting in Cloetta Fazer the managers ran into communication problems:

“At the first management meeting we had the Finns come with their folders and overhead after overhead after overhead, and they told the Swedes that this is how it is. Right on. They were prepared and worked by the book and said: “This is how we will do it” and the Swedish people said, ‘Yes, yes, yes’. When traveling home one of the guys said: “This went really well” and I asked ‘Why?’ ‘Well, they agreed on everything we said. They said yes to everything’. I told him ‘Firstly, they did not understand all of it. Secondly, they did not say yes, but yeah’. The communication gap was huge. Later on the Swedish people came and told us how they thought things should work, and the Finns said “But last time we agreed on that things would be like this”. We had such differences in how we communicated.” (Finnish Manager 2002)

Communication is basic for social interaction, but how we communicate is depending on the cultural context. Already from the beginning the CEO in Cloetta Fazer tried to further communication in the identity project, the project that later on changed into the Business Academy. In this forum the 50/50 constellation of managers met to create a platform for future growth. There was an obvious need for this since the starting-point was two hostile groups: “There was a lot of opposition. It was in the air when we got there and sat down. It wasn’t the first time we met. We had had some meeting before in this management group, but it was the first time with this assignment (to talk about identity) and because of that they entered the meeting with skeptical minds and a reserved and questioning approach: ‘what’s the point with this?’ and ‘we’re best anyway’. ” (CEO 2002) The conflict between the management groups could be due to the lack of communication competence. Auer-Rizzi and Berry (2000) described how previously acquired communication competence in an organization, the capability of using resources within a particular culture, acted as a hidden barrier to communication in an intercultural setting. Thus, there was a need to deal with the soft sides of organization if they were to move on and perform well in the future.
One organization, two masters

One reason for the strong feelings at the encounter was that both organizations had performed well financially before the merger: it was a combination of two winners that were both used to leading the way. Another aspect that created tension in the group was the cross-border combination. Outside the Nordic region I doubt that people in general would see any differences between people from Finland and Sweden\textsuperscript{15}. Instead they both represent the Nordic cluster. Sweden and Finland have actually been one country historically, separated in 1809, and although there might be some inflamed areas in historical relations, there is much activity on the business arena and mergers between Finnish and Swedish companies are quite frequent. So what problems did the cross-border combination involve? Well, since it was a merger of equals, and not an acquisition of one by the other, one could say that the merger had created a twofold master situation.

The Swedish organization could be described as the master since Cloetta, as a listed company, adopted the other organization using a new share issue. Another, subtler, aspect of the Swedish organization as a master is based on the idea that Sweden has been viewed as the Big Brother in relation to Finland (e.g. Vaara et al 2003). During the 20\textsuperscript{th} century Sweden had outstanding industrial results and even though for example Finland also has had a striking development based on serious efforts in education, etc. I believe that you can still find ideas about Swedish superiority, at least in Sweden. In contrast Fazer was viewed as a master in Finland. The Fazer organization was a company founded by one of the most prestigious families in Finland creating a high status for the organization. The prominent position in society influenced the atmosphere in the organization and one aspect of this was recruiting the best people from the finest business schools. People in Fazer were used to being regarded with respect, at least in Finland. Thus, we had a situation where people from the two old organizations perceived themselves to be on top of the other, but based on different criteria (see figure 3).

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure3.png}
\caption{Perception of status in the merged company creating a twofold master situation.}
\end{figure}

\textsuperscript{15} For an introduction to the Nordic setting I recommend Björkman, Hundsnes et al 2003.
This situation leaned towards a power play, but according to the pooling agreement they could not fight for mastership. They had to engage in a mutual development of the organization. To merge on an equal basis, the ‘balance of power’ principle (Vaara and Tienari 2003) was an effective means for selling the idea of the merger to internal and external stakeholders but at the same time it reinforced nationalism. This could be one explanation to why managers referred to national cultural differences when they had problems, but was that really a problem for two organizations situated geographically close in the Nordic area?

Culture as a useful empirical concept

From national to organizational culture

In this study culture is used as an empirical concept, i.e. it is a concept that the managers used and I have tried to describe how they did this. To explain the practical problems when working across borders the managers talked about national and/or organizational culture differences. But at the same time as the concept of culture was useful to describe the problem, it was often problematized by the managers since it did not seem to really capture the essence of the problem. Maybe because they dealt with more than one problem comprised in the culture concept? Much emphasis was put on the (different) ways of working. The managers had experienced the different decision making styles, but at the same time several managers were reluctant to say that this was valid for the organization and rather just generalizations for Finnish and Swedish styles: “I think this represent stereotypes for Finland and Sweden. In Sweden people discuss for a long time about alternative activities and the point of decision is at the end of this process, while in Finland the point of decision is quite early on in the process and after this people start to talk about how to do it. I don’t even think that this stereotype is valid for Finland and Sweden, and even less so here.” (Finnish sales manager 2003).

To talk about national culture as the problem was maybe a starting-point, since “one tends to run to the simplest conflict” (Swedish finance manager 2003), but the managers also needed the concept of organizational culture to develop the discussion about integration problems. “I think this thing about Sweden and Finland has been exaggerated. I have worked with both Swedes and Finns and I don’t see that big a difference. Maybe one can say that organizational culture is a larger obstacle since one have worked very differently in the Fazer culture and in the Cloetta culture. And they have done this very successfully which in itself is a hindrance because ‘why change it if it’s working?’ and that’s a relevant question. We have two essentially different models for how to work in Cloetta and Fazer and both models generate in practice similar results concerning return on capital employed and in an ideal world you pick the best from both cultures and create something even better and that’s what we are trying to do.” (Swedish marketing manager 2003).
Strengths and weaknesses of the culture concept

The culture concept can be said to have a function in an empirical setting, and it enables people to articulate their concerns for the human side of mergers (Riad 2005). A broad familiar concept, such as culture, can be used to point to problematic areas without having to give a precise definition of what one is really talking about. Thus, people can name the problem and that might be a first step to work with the problem. In a merger situation the culture argumentation is accepted by the people involved as relevant and culture can be used to describe various phenomena. Since culture was an accepted term for deviant behavior in the empirical setting there was no need for further explanations and the issue got a quasi solution by calling it a cultural problem. Managers agreed that they had a cultural problem but at the same time this diagnosis put an end to the discussion. Thus, a broad concept of culture can be used to reach an initial agreement between groups since they can all fit their own interpretation within the broader range of meaning that the concept of culture holds, but when starting to work together generic concepts can be confusing when people say the same thing but act in different ways based on their interpretation of the meaning of the word. A similar observation was made by Vaara (1999) who saw that cultural differences had great explanatory power in a merger process but that it could lead to misconceptions about fragmentation and ambiguity and over-simplifications. One way to describe the on-going processes in mergers at a theoretical level has been to turn to the concept of discourse.

FROM CULTURE TO LANGUAGE

Integration as discourse

Angwin and Vaara (2005) argued for a need to move from the prevailing cultural perspective, as being a dominant paradigm in studies of M&A integration, towards new concepts and angles. Some new angles suggested were to look at decision making and integration from a sense-making perspective (Vaara 2003, Vaara, Tienari and Björkman 2003, Jisun et al 2005). Jisun et al performed an eight-year ethnographic study on an integration process where they examined the relative amount of time spent on various integration topics. This kind of participant longitudinal research is quite rare, not only in the field of mergers and acquisitions. Another angle is to look at identity-building as a metaphoric process (Vaara, Tienari and Säntti 2003). Attention has also been directed to narrative and discursive perspectives and the role of language in merging organizations (Gertsen and Söderberg 2000, Vaara 2002, Vaara et al 2005, Piekkari et al 2005) and in media texts (Hellgren et al 2002, Vaara and Tienari 2002). Tienari et al (2005) looked at how gender and national identity was discursively (re)constructed in a merger context where executives explained the absence of women in the top echelons of the company.
To look at the integration process as a discursive process in a cross-border merger is interesting since people have to find a common language for communication. Even though the managers talked about finding a common way to work together, and not about creating a shared language, I see the creation of a language as central to what they really did. In Cloetta Fazer a shared language referred both to the choice of national language and to common definitions of concepts used in the organization.

The choice of national language

In Cloetta Fazer the choice of language for the group was one issue treated during the negotiation process before the merger. The reason why Swedish was chosen as the group language was partly due to the situation that a majority of the managers in Fazer came from the Finland-Swedish population in Finland and had Swedish as their mother tongue. “It’s obvious that language has had an important role in this merger. Mostly we talk Swedish and actually we who speak Swedish as our mother tongue but also speak Finnish, we have had the biggest advantage because we have had the large picture. As Finnish-Swedish, our mentality is in-between Swedes and Finns so that’s a good combination. The Finns are very straight on and don’t care much for small talk while the Swede is more careful and wants to feel out a situation and first know who you are before start to confide and make decisions. The Pole has a very hierarchical way and it’s always the boss who has the last word. Then I think the Finns have felt like they are in a weak position because the Swedes can use their mother tongue and they are just trying to get understood and they can’t sell their ideas in a way they would like. But I don’t know about that because I see that they have been listened to when it comes to ideas. But the language is important.” (Finnish manager 2003)

I will not examine the role of national languages in this merger but I would just like to mention that previous research has shown how language skills can be a source of power in organizational communication. It can contribute to the construction of superiority or inferiority, and language skills are associated with professional competence and the creation of new social networks (Vaara et al 2005). Besides, managers often have an unrealistic understanding of the level of language competence in the organization and can be unprepared for the strong emotional reactions that a change of language can give rise to (Piekkari et al 2005).

In 2003 it was decided that the language in the group would change from Swedish to English. The introduction of English as the common language for the group put people in a situation where they had some previous knowledge but many managers did not feel comfortable with this shift of language. When talking about the shift, one manager said that using English would be fair, and it is fair in the sense that they were all using a foreign language, different from their mother tongues. Another manager called English a neutral language based on the same arguments. In contrast to this some critical voices were raised against using English. One
argument was that since the great majority of the top managers spoke Swedish, it was a waste of knowledge and experience to use another language that people did not know as well. This would have the consequence that the discussions would not reach the same heights due to linguistic limitations. A third position in the pros and cons of the English language was to see English as negative at a personal level but positive and necessary at a group level since the merged company was talked about as an international company and in this new constellation they actually had managers who did not speak Swedish at all. Thus, English was a necessary evil for the management group. At the Business Academy meeting in March 2003 the managers were informed that they were going to speak English at the next meeting, and in December 2003 the Business Academy was performed in English.

Creating a shared language

While a trend in the academic world is to portrait different voices in organizations, the use of multiple voices delivered across a number of communication channels has been a problem in organizational practice. Large corporations would prefer if they could control what is communicated using a common vocabulary to all its stakeholders, and thus leave little room for individual interpretations and action (Fox et al 2003). When talking to the managers in Cloetta Fazer I understood that communication was not only about using the same national language and a common vocabulary but about the communication of meaning within this vocabulary. One example of this came from a Swedish production manager who also spoke Finnish:

Manager: “I’m in that lucky position that I know Finnish. That’s terribly good. One thing is that I don’t get into misunderstandings based on language. I see a lot of that elsewhere.”

CB: “Is it when people meet and get frustrated because they don’t know how to express themselves or is it that they use the same words in different ways?”

Manager: “I think it’s a mix of everything. I have an example. Tomorrow I will act as a language bridge. I will sit in on a product development meeting and hopefully see to it that we can avoid mistakes. The Finnish and the Swedish managers use Swedish and the Finnish manager is good, she knows some Swedish but she’s not the best in the world speaking it. They are right now working in a giant project with moving a confectionery mix to Finland with trials, tests, changes and all those things. But when they meet I see that they don’t understand each other. They can’t agree on how to perform the tests and the Finnish manager thinks that the Swedish manager doesn’t give a shit about the project. I know that they have simplified the tasting-process
in Finland and do it in a slightly different way but in Sweden they say that one can’t do it like that. The Finnish managers haven’t been able to explain why they are doing it like that, that they have ten years experience and that it is an approved process. That’s why I’m moving in, to take them to the next step.”

In this case it would probably not have helped using English as a shared language, because the problem was that even though they used the same words when describing the tasting-process, the words had different meanings due to different models for how to perform tasting. In other words, they had different norms for how to act in a specific situation but what was confusing was that they used the same vocabulary when trying to express their models. To create a shared language was not only to choose a national language, like English, but also to talk about the meaning of some concepts that were critical to acting in the organization: “I don’t believe in merging in the sense of adding, but I believe that we have to create something new. It can be to get a shared way to express ourselves, a common definition of words. The same vocabulary so that we know that when we say this in Cloetta Fazer, we mean this.” (KL manager). The creation of a shared vocabulary and a shared meaning would be achieved by replacing organizational dialects.

Replacing organizational dialects

When it comes to the starting-point for creating a shared language, the managers could be said to speak different organizational dialects depending on functional and organizational belonging. Examples of central concepts for production people were quality, delivery precision, etc., for marketing people it was market share, brand impact, etc., finance people used concepts such as turnover, ROCE, etc. and recruitment, education, etc. for HR people. To give an example we can look at some measurements in production:

Manager: “We have almost the same measurement system but still they are not the same.”

CB: “In what way do they differ?”

Manager: “There are small differences. Everybody has a measurement for quality, productivity, human resources and so on, but we look at it from a different point of view.”

CB: “So you have the same measurements but the way you calculate this measurement is not the same?”

Manager: “Yes, the aim of the measurement is the same but we have different ways to calculate so they are not comparable.”
In production the units worked with variations of quality systems related to Total Quality Management (TQM) ideas and concepts. At Fazer, they had implemented a system in Helsinki, in Lappeenranta and they were trying to implement it in Gdansk. At Cloetta, the Ljungsbro factory worked with a set of key figures and in Norrköping they had developed key figures in relation to a TQM philosophy. While all units wanted to achieve good production processes and high quality products they focused on different things. When talking about production quality in Fazer people mainly meant superior taste while in Cloetta production quality meant a smooth production process. In sales they also used different measurements: “In Finland they work with Nielsen and in Sweden with Delfi because Delfi includes pick and mix and in Sweden that accounts for 25-30 % of the market. It’s two different systems for measurement. Delfi measures what the suppliers deliver to the shops in Sweden and they include about 85 %, while Nielsen is a cashier registration that works with a selection of 200 shops that are representative for the market.” (Swedish sales manager 2003).

In contrast to marketing and production, the finance and HR departments described working together as quite an unproblematic process: “We have not had any controversy at all and we find it easy to cooperate. We are talking the same language when it comes to finances and we don’t have different views on how to work with finances, accounting or taxes. I think they have more problems with that in marketing and production. Finance is an international language in a way.” (Swedish finance manager 2003). The finance and HR departments had guidelines and rules that were to some extent harmonized and this seemed to facilitate the integration process. Maybe because they could refer to rules outside the organization? Or maybe simply because they did not have direct responsibility for the results? Even though some parts of the organization did not have as many integration issues as others, they all worked with finding a shared language at the Business Academy meeting. Words that had a general meaning would be filled with organizational meaning. This was done by the crossbreed between language in management literature, consultants’ definitions, managers’ previous experiences of using concepts, interpretations of concepts made within a national, organizational and functional context and interpretations of hands-on experiences in the exercises performed. In other words, the shared language was created in the process of social construction.
ORGANIZATION AS A COLLABORATIVE DISCOURSE

The integration process as a social construction

With the opposing, or at least diverging, ideas that appeared in the empirical situation after the merger it could be fruitful to turn to ideas of social construction as a starting-point for understanding the development of a shared language. My point with taking a constructionist approach (in a very broad, generic sense and not with the purpose to define different schools of thought within the field) is to point to the possibilities of change in what we perceive to be reality: “Instead of seeing reality as something that is, I see it as something that becomes” (Salzer-Mörling 1998, p. 32). Brannen (2004) made a study of changed meanings in international business and showed how the change process, when moving a concept from one country to another, could produce new content and new meaning, which was not necessarily related to the old meaning. In a merger this could be talked about as semantic fit between the organizations.

As mentioned earlier one motive for the merger between Cloetta and Fazer was the combination potential between brand portfolios. This is talked about as strategic fit in the literature (Clarke 1987, Shelton 1988). In addition to strategic fit managers should look at organizational fit (Greenwood et al 1994, Ramaswamy 1997, Birkinshaw et al 2000) and cultural fit, as this is “as necessary a condition as strategic fit” (Cartwright and Cooper, 1995, p. 39). One aspect of cultural fit is the understanding of the language/s used. To describe the aspect of language in relation to sensemaking Brannen (2004) developed the concept of semantic fit to include a more comprehensive notion of language than merely an acoustic signal. This would enhance the understanding that when a company moves into a new cultural context the pre-existing meaning of firm assets go through a process of sensemaking when the language evolves in (new) social contexts and results in new meaning. To create a further understanding of this process of social construction I will talk about the organization as a collaborative discourse in terms of content, context and process.

Organization as content, context and process

While traditional organizational theory often describes organizations as “things” that exist independent of language, discourse can be defined as a system of texts, written or spoken language, artifacts and visual representations and organizational discourse focuses on its constructive effects (Hardy 2001). I have in this thesis chosen to work with the assumption that organizations are ongoing discourses as
well as structures. Organization is thus a mixture of content, context and process:\(^{16}\)

“language is not only content; it is also context and a way to recontextualize content” (Boje, Oswick and Ford 2004, p. 571). To give an example we can look at change processes. In managerial handbooks authors often use a model of planned change with prescriptions to describe management of change step by step. The steps in this rational model are often described as firstly, to define the problem, secondly, to set goals and look at alternatives for actions, thirdly, to analyze options for consequences and fourthly, to choose the best alternative that is implemented and that is finally evaluated. If one instead looks at discourse, the focus is moved from the rational model in itself to how managers talk about such a model in a context: “For it is through patterns of discourse that we form relational bonds with one another; that we create, transform, and maintain structure; and that we reinforce or challenge our beliefs. The very act of communicating is the process through which we constitute experience.” (Barrett et al 1995, p. 353).

With this shift of focus, the role of a leader becomes somewhat different. Instead of a manager we could talk about a sensemaker: “It is the job of the sensemaker to convert a world of experience into an intelligible world” (Weick 2001, p. 9). Then the manager’s role in organizational change becomes to work with the rationalization of behavior, whether this behavior is planned or unplanned. Why study the top echelons of the organization when rationalization is probably ongoing at all levels in the organization? Well, although I understand organization as a collaborative discourse, as something more than just managers and management communication, I will concentrate on managers as communicative beings. One reason for this is that in the empirical setting the integration towards the idea of one company was basically a matter within the management group. Another reason is that in an organization managers are expected to make sense of reality and mediate their interpretation, both in internal and external relations. Finally, managers have the formal authority to take measures in the organization based on their interpretations of the world.

Management work is communication

When it comes to managers, Mintzberg (1973) found that they spend two-thirds to three-fourths of their time engaged in verbal activity. The idea of verbal activity as a form of action is for example expressed in speech act theory: “... to say something is to do something; or in which by saying or in saying something we are doing something.” (Austin 1975, p. 12). Austin’s, and later on Searle’s, structuring of language had a linguistic focus, but as Cooren (2000) points out, the theory of speech act forms a crossroad between different disciplines, establishing a link “between the social conditions of production of utterances and the actions that result from them” (Cooren, p. 33). It leads us to take into account the social dimen-

\(^{16}\) To include content, context and process when studying organizations has been encouraged by for example Andrew Pettigrew (e.g. The awakening giant: continuity and change in ICI. 1985).
sion of language, and provides “an excellent starting point for understanding the organizing dimension of communication” (ibid). Due to the emergent nature of organization, managerial work should be seen as a co-production of the organizational narrative, not as an activity performed by a single individual (Jönsson 2001). What become of interest then, is how language is used to create meaning and how the organizational meaning with time influences how language is used. In practice this could mean that if a manager makes a reference to national culture when speaking in order to argue for an activity, this is at the same time done under the influence of national culture that dictates how we communicate.

FRAMES IN INTEGRATION COMMUNICATION

The frame concept

Austin (1975) wrote that to say “I name this ship the Queen Elizabeth”, and at the same time smashing a bottle against the stem, is not only to describe that you are naming a ship but that you are actually involved in the act of naming it. This is officially recognized if it is done within a social frame and others approve the naming. Goffman (1986) describes framework as schemata of interpretation applicable to a recognized event. Frames enable people to recognize the situation and define what counts as relevant for attention and assessment. Frames also bias for action in that they call for particular styles of decision or of behavioral response (Perri 2005). The frameworks, or frames, of a particular social group constitute a central element of its culture but frames vary in their degree of organization. While some are neatly organized as a system with postulates and rules, others are less organized and characterized by being more of an approach than explicit rules. Nevertheless, whatever the degree of apparent organization a frame allows its user to “locate, perceive, identify and label a seemingly infinite number of concrete occurrences defined in its terms” (Perri, p. 21). Goffman’s ideas about frames has been the subject to a heated debate on whether Goffman was a structuralist or not (e.g. Gonos 1977, Denzin and Keller 1981, Goffman 1981, Johnson Williams 1986). Sociologists wanted to position Goffman’s ideas within the structuralist school rather than interactionist, but Czarniawska (2006) points to the revival of Goffman’s work in recent studies, and while she argues that the dramaturgical metaphor should be used less literally the strength is the focus on action that Goffman presented. Czarniawska also comments on how concepts such as frame and framing have been adopted and developed in relation to ideas about the construction of meaning. In a literature review by Benford and Snow (2000) the authors say that framing processes have come to be regarded as one of the central dynamics in understanding the character and course of social movements.

17 Goffman makes a distinction between two broad classes of primary frameworks, natural and social, but here I only talk about social frameworks.
In this thesis, frames are seen as a part of social interaction but frames constitute some kind of structure in this social interaction, and to understand what goes on at the meeting studied I think that one has to look at the interaction within structures but also how structures emerge in interaction. Thus, there is no beginning and no end to a frame, neither in time nor in space, but there is a core. Even though the core itself may change over time this is a process characterized by inertia and thus frames have a stability that might be possible to approach in description. What is interesting is how frames are used in the organizing of everyday experiences, the interplay between the frame as a context, its content and the ongoing process.

Cognitive or social frames?

Frame has been approached either as a cognitive dimension or with a focus on how language is used to label situations, similar to discourse that is sometimes used to denote meaning and sometimes to refer to language used in a given text (Chreim 2006). However, reality does not submit to the strict separation between the behavioral and cognitive dimensions that is made by theorists (Leroy and Ramanantsoa 1997). I see the cognitive perspective as a complementary way to conceptualize frames, but in this thesis the standpoint is that frames are concentrations of meaning shared within groups. These frames can be understood by looking at social interaction, verbal and non-verbal. The social frames will be the center of attention in the analysis of the meetings later on since it turned out that to fabricate the new “culture”, the Cloetta Fazer way of working, meant to combine the frames for the Cloetta and Fazer organizational cultures with other frames.

One can also talk about frames as ranging from micro to macro levels. Instead of separating the two Chreim (2006) stakes a middle ground using the notion of frame for the analysis of the connection between micro-level discursive activities and wider discourses that enable and constrain such activities in a change situation. Generic frames, which can function as a master algorithm for specific collective frames, are called “master frames” (Benford and Snow 2000).

Framing change

To talk about frames and meaning construction, as a description of the organization of experience, the verb framing is employed (Benford and Snow 2000). Organizational researchers sometimes make a distinction between first order change and second order change. First order change is when improvements within already accepted frameworks are made and second order change is when there are discontinuous shifts in frameworks (Bartunek and Franzak 1988). Both types can be present at the same time, but in the merger studied there was an emphasis on second order change when people from the two organizations engaged in the
creation of a new company. In this process, the setting in itself had a primary framing function in that it brought together people with different backgrounds. This can result in a situation where people have quite different alternative understandings of the same problem, and the frame concept is useful to understand accounts of the range of content related to a specific situation (Perri 2005). A reference to a frame at the meeting is a way to hold up one frame as more relevant than others. However, the existence of multiple frames is not specific for a merger situation when different groups are to be integrated, since “that during any one moment of activity, an individual is likely to apply several frameworks” (Goffman 1986, p. 25).

The move between frames can either be described as a process initiated by equally powerful individuals, or as a process where some individuals have more power over the process than others. Palmer and Dunford (1996) have pointed to the first approach as risky due to its underlying voluntarist and idealist assumptions. Even though I have chosen to see how different management groups are active in framing, it was unconcealed that the division of power influenced the process in the study. Not to say that the top managers could control activities as they wanted to, but at least that they tried to frame the organizational reality in a desired direction. In an organizational context the issue of reframing is “typically viewed as a managerial activity aimed at changing the meanings associated with organizational situations in an attempt to influence organizational members’ interpretations” (Chreim 2006 p. 1261). As I mentioned in the prologue, I use framing instead of reframing in this text, since the concept of reframing implies that it is the job of a top manager to change the way other people think. Although I recognize the uneven distribution of power in organizations as an interesting aspect during interaction, I work with the assumption that managers are organizational co-producers, rather than organizational creators.

Framing during the integration process meant that people encountered some critical frame shifts. Firstly, the old primary frames (Cloetta and Fazer representing guides for organizational activities) were delimited to being brands. They did not lose their function by this, but it meant that people became aware of the frames as frames, in contrast to being something taken for granted. Secondly, framing also meant that the managers had to aim at a new frame. This frame had to be created and thus the integration process became about the fabrication of a new frame. Finally, when opening up for framing during the integration process, other frames than the two organizational frames entered the discourse and took part in the struggle for gaining a place in the new frame.

Managerial framing activities

One aim during a framing process can be to achieve frame alignment or frame appropriation. Frame alignment involves linking interpretive orientations, i.e. that
some set of for example values, beliefs and ideology are congruent and complementary. The term frame appropriation is more indicative of acceptance by organizational members of a frame introduced by management. (Chreim 2006). To understand why framing succeeds in some cases but not in others, Snow et al (1986) described two sets of factors at work. The first one concerned the degree of frame resonance with the current life situation and experiences of the potential constituents. The second set of factors involved the configuration of framing hazards, as for example when an organization fails to uphold the core values and beliefs that have been highlighted.

To look at what people do, in this case managers, can increase the understanding of framing activities towards achieving frame alignment. Czarniawska (2005) found that meetings and conversations referred to texts, either as an organizational document or as a desired outcome. What managers did in relation to this text were mainly acts of translating, editing and inscribing. *Translating* was the rendering between organizational “languages”, from and to economical, technical, and sometimes national languages, from and to words, numbers, images, from and to the abstract and the concrete. The act of *editing* had a political character that concerned only one type of language but dealt with different points of views and interests. *Inscribing* was a proof that the two previous activities had been completed. The value of the inscription was based on the notion that a written word had more weight than a spoken word and the more official and completed the inscription was, the more weight it had in relation to other inscriptions. Out of the three, translation had a special role in most reforms where transfer of knowledge and experience played a central role. If a translation from an international to a local level encountered difficulties this could be depicted as a lack of dictionary, and this was not uncommon in a process characterized by destabilization when the text was taken out of its proper cultural context and fitted into another (Czarniawska 1998).

In addition to Czarniawska’s acts of translating, editing and inscribing I would like to add a fourth managerial activity that I observed in the study of the Business Academy meetings: the act of *legitimizing*. Legitimizing here refers to managerial activity in the organizational setting, but probably has similarities to what has been described as discursive legitimation in media texts (Vaara et al 2006). The act of legitimizing is more persuasive and one-sided than I understand Czarniawska’s three activities to be. Much in the same way that a researcher uses references to create a legitimate text, the top management group used references at the meeting to legitimize change activities and set goals. The difference was that the managers mainly used verbal references instead of written. The purpose with their referencing was to make the idea of the new organization and its characteristics legitimate.
SUMMARY OF “CREATING A SHARED FRAME OF REFERENCE”

This chapter in short: organization as communication

After the contextualization of the Business Academy in the previous chapter, this chapter deals with the problems that emerged soon after the merger. Both companies were used to be in a leading position and when they had been involved in acquisitions earlier, they had been able to act as the master and control the organizing activities. This time it was a merger of equals and due to the accounting technique used they were obliged to have a balance between the two organizations. This was a new situation for both parties. When they started working together, people experienced communication problems and they referred to this as a cultural problem. As mentioned, the managers saw the creation of a shared culture as the solution to the problems that they experienced.

Culture as a theoretical concept in M&A research was popular during the 1980s but in this thesis culture is used as an empirical concept. An attempt to approach diffuse phenomena during the integration process has been to turn to the study of discourses. This development of M&A research, especially in the Nordic region, together with the shortcomings of traditional integration theories in relation to the empirical setting, was a basis to approach the organization as a collaborative discourse. Within this discourse I have concentrated on frames and people’s framing activities to explore communication during the change process. Frames enable people to recognize the situation and define what counts as relevant for attention and assessment. Thus, it describes something that is important in order to understand how people experience what goes on in the change process. In the next chapter, I will give a starting-point for the change process: a description of pre-merger frames.

Reflecting on integration

When it comes to integration in the management team I would like to stress that it is mainly about socio-cultural integration. Even though they talk about what management system to use, the main question was about finding a way to work that the management group could agree on. I say this because they already had working management systems in the different units but the introduction of a shared system was a way to make it easier for the KL managers to compare and to centralize some functions. They could have chosen other ways, like for example leaving it up to the country managers to agree on a system or to leave the units working on their own, but then, what would the role of the top managers have been? To coordinate and support the country managers, lower on the hierarchical ladder?
So, what does socio-cultural integration of a management group mean? I have seen this as a social construction in a specific context. In order to study socio-cultural integration I have looked at what managers do, and what they mainly do is to talk. Thus, language as action has been the center of attention and after the merger the managers had to deal with both a change of the national and the organizational language. The change of national language, from Swedish to English, had the advantage that no one could use their mother tongue and they were all on the same linguistic level, at least in theory. On the other hand, it meant that the use of the language in itself became an obstacle to overcome, and poor linguistic skills, rather than their professional skills, could inhibit their engagement in problem solving. Then they tried to create a shared organizational language so that they would use the same words for the same things, and that they would mean the same thing with the words they used. I have used the framing concept to name this process of moving towards something new. The managers strived for a situation where they all shared one frame, and then the issue became to find a frame they could agree on. When talking about integration I think it is necessary to question whether the goal of creating a shared frame is too grandiose. Even though I like to be pragmatic and see the point in what they did in the empirical setting rather than what they should have done from a theoretical point of view, I must say that this is one of few aspects that neither seemed to be founded in the organizational reality, nor in the theoretical literature. In spite of this, it was a strong idea that prevailed among the managers as a solution to their problems.
Pre-Merger Frames
CULTURE AS A USEFUL FRAME DURING INTEGRATION

In the merging organization, managers recognized the complicated human interaction as a natural part of a cross-border business setting, but in practice they used specific cultural frames when trying to make sense of what was going on. In the group studied, there were two main cultural frames in use: national and organizational belonging. In interviews, ideas about national and organizational culture appeared frequently, but when asked what culture meant and what the difference was between national and organizational culture, people had difficulties defining the concepts. I will try to recapitulate some of these notions of cultural frames here. When it came to national culture there was a strong idea about decision making as something connected to the national character. The organizational frame was more about the organizational lineage and traditions that had been built within each organization respectively. The managers also mentioned functional frames to explain the integration process, but in this chapter the concentration is on national and organizational belonging since these two frames seemed most useful for trying to make sense of the problems that appeared during the integration process.

NATIONAL CULTURE FRAME

Finnish and Swedish management

Decision process as a national phenomenon

To talk about Finnish and Swedish management styles is to talk about management as a national phenomenon. Finnish management can be described as being influenced by military forcefulness, hierarchy and a class society and with a focus on technical improvement of the production apparatus (Jönsson 1995). Swedish management can also be seen as a product of societal development, and action patterns are characterized by pragmatic consensus seeking and a focus on flexible service orientation and change (Czarniawska-Joerges 1993). Even though such stereotypes can be questioned, national identity has been revealed as a potent and widely used symbol that secured local boundaries in an international merger (Ailon-Souday and Kunda 2003). When it comes to how the managers talked about national culture in the empirical setting, there was one aspect that was clearly described as something relating to being a Swedish or a Finnish manager: the decision making style. Two important aspects of decision making differences were how long it took before a decision was made and how the decision was put into effect. Swedish people discussed for a very long time before making a decision but when it was made, everybody was committed and acted in accordance with the decision, while Finnish managers made the decision quite fast and then things were changed along the way during the implementation process. In earlier studies, these approaches have been called ‘discussion oriented’ and ‘action oriented’ when describing the construction of national gestalts (Vaara, Risberg, et al 2003). People
in the company were keen on pointing out that irrespective of style, they all reached the goal at the same time (see figure 4).

![Figure 4. Illustration of decision making style in Finland and Sweden](image)

Even though the managers tried to be diplomatic when describing the two styles, one could often sense that there was an implicit understanding that the familiar way of working was the best. “I can’t say that there are any cultural differences but we work in different ways. The Finns are more impulsive, make decisions fast and maybe don’t think as much as the Swedes. For example when we launch new products they are very optimistic and then they have to go back. The Swedes are more meticulous and think both twice and a third time before prognostication. Since I started we have had three, four launches that were too optimistic and we had to go back and start over again.” (Swedish production manager 2003). For this Swedish manager the trial-and-error way of working was frowned upon as something resulting from not thinking. This quote is also interesting since it contradicts the organizational frames. Here the Swedes are described as the analysts while the Finns are the doers, but as you will see below in the description of organizational frame, it is the other way around.

**Differences in decision making style**

One explanation for the different decision styles is that in Finland, a manager is expected to display operative action, sometimes resulting in a trial-and-error way of working, while a Swedish manager should plan to reduce uncertainty during an initial phase and then keep a low profile during the implementation phase. This has also to do with the idea that in Finland, time is a measurement of efficiency (short time shows good efficiency) and in Sweden time is a measurement of quality (long time ensures good quality) according to the managers. This is not to be confused with time perspective. In Fazer the managers emphasized the long-term perspective while Cloetta worked more short-term oriented. The time perspective could be a
result of governance, and it is easy and maybe necessary for a listed company (Cloetta) to fall in with the pace of the stock market. “Cloetta has, in my point of view because they’re a listed company, had a focus on short-term results. When Fazer was a family business we had more time and that’s something that affect what we discuss on the meetings. How much time should we spend on what has been and how much time should we spend looking forward? Every time we talk about results, what has happened we look back, and they talk about delivering results and value to the owners. And of course a company has to do that, and I’m not saying that we didn’t do that in the Fazer group but maybe we did it in another way. I’m not sure whether the Swedish stock market is good for us or not.” (Finnish sales manager 2002).

Another difference in decision making style is who engage in the decisions. Finnish managers are used to being in charge and giving orders, while the Swedish managerial style is to work extensively with an open dialogue to anchor decisions in the organization (Ekwall and Karlsson 1999). The anchoring process in Sweden is partly due to legislation and partly due to general egalitarian influences in society. "You always get surprised at how bureaucratic things are in Sweden, for example with the MBL law. If you have a vacancy you should always negotiate according to MBL. You don’t have that anywhere else.” (Finnish HR manager 2002). The egalitarian influence also has influence over organizational behavior and in Sweden it is not uncommon for people to state their opinion openly, no matter their hierarchical position: “I believe that in Sweden we are more used to questioning our bosses. I don’t think they do that as much in Finland. I’m not sure but I get the feeling that they do what they are asked to do.” (Swedish secretary 2003).

Finland – one nation, two cultures?

When talking about Finland and national culture one should also mention the Finland-Swedish population\(^{18}\), an influential minority in Finnish society. To talk about this group in the Finnish society is necessary when making a study of Fazer, an organization owned by one of the most acknowledged Finland-Swedish families. The Finland-Swedish character was described in this way by one of the employees: “They (the Finns) think that we (the Finland-Swedish people) are “the Swedes” in the working life in Finland. Maybe we have a softer way. If we are to say no to something we might not say no directly but in a more polite way. At the same time many Finland-Swedish people have a prominent position in working life where they can use some kind of diplomacy qualities. We have roots in different parts of Europe, Viborg, Sweden, Denmark and Russian nobility and we have a habit of socializing.” (Finnish manager 2003). The Finland-Swedish people could thus be

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\(^{18}\)Historically, the Finland-Swedish population consisted of two main groups: peasants and upper class. However, a growing middle class characterizes the Finland-Swedish group, and in addition, it is complicated to differentiate between the Finnish and the Finland-Swedish groups in Finland since they are intertwined (Allardt & Starck 1981).
seen as representing a combination of the ideas about the Finnish and Swedish national characters.

**Why not talk about Polish culture?**

The Polish managers had quite a peripheral position at the Business Academy, as well as in the general mindset about the company in Finland and Sweden. At the first meeting that I took part in, one Polish manager said “Cecilia, please don’t forget us”. And while I have not forgotten about Poland, the Polish unit was not treated as something important by the rest of the management group. Even though it was described as a *possibility* on a strategic level, Poland was often left out when the business was being talked about. On an operational level, Poland was even seen as a threat in some areas, for example with the parallel import of Dumle to Sweden. Even though Poland had their own management team and an organization with sales, production, HR and finance, Poland was mainly seen as a subunit to the Finnish organization. Some of the Finnish managers spent some time in Poland in order to try to improve the production process and their experience of Poland was that they encountered a very different culture: “*If I compare to the Polish way, where I spent two years, there were bigger differences. Between Finland and Sweden there are not such big differences. Everyone (in Finland and Sweden) understands teamwork and we are making things together and we must follow the decisions made. In Poland it was a bit different. If we made a decision everyone could still go to their own office and work exactly like before.*” (Finnish production manager 2003).

When describing their own culture, the Polish managers talked about the Nordic Latinos and said that the mindset was similar to the countries around the Mediterranean such as Italy and Spain. One reason was that they shared the same religion: Catholicism. The Polish unit was a subunit within the Finnish organization and when trying to describe differences between Poland and Finland the decision making process was once again referred to: “*The Finnish guys are very quiet, very ordered and I think that they plan everything step by step. They are slow decision makers. Polish people are a little bit different and it’s better to make the wrong decision than not to make any decision at all. It’s better to act than sit down and think. If you combine these two things we have got the perfect team because then you have some one in the group that will say ’Okay, let’s stop for a while. Let’s think about it and plan’. ’*” (Polish manager 2003) Does this sound familiar? The Polish manager used almost exactly the same words to describe Finnish managers’ decision style that the Finnish managers used to talk about Swedish managers’ decision style.

Although interesting, I will not put emphasis on Polish culture in this thesis. One reason is that I did not spend enough time in Poland to get the feeling that I understood the people working there. Another reason is that the Polish managers had a
peripheral position in the management group. This is quite interesting from a merger integration point of view, since one could assume that the larger the cultural differences, the larger the conflicts. However, this assumption did not hold in this merger and the conflicts arose between the Finnish group and the Swedish group, two groups with similar cultures (but also with similar power).

ORGANIZATIONAL CULTURE FRAME

Organizational lineage and traditions

In my opinion we are our history. What has gone before us represents what we are at this moment and guides us in how to deal with the future. On a general level, culture can be said to be the sum of history, and in the merger studied, long history had secured strong traditions. Cloetta and Fazer both had industrial ancestry of over 100 years and this was often talked about as something positive: “In Finland people did not know much about Cloetta as a company and you could almost hear a sigh of relief when people were told that it was two companies of distinguished heritage and with a very long history that were going to merge. That Cloetta was even older than Fazer. People could exhale and feel that ‘well, it’s established and old anyway’ and this made things okay and gave them a feeling that they could trust this company.” (Finnish manager 2003).

Close to organizational traditions was the notion of the organization as a family. Both companies was founded as family companies in the 19th century, but in the case of Cloetta, the owners had taken a step back and were perceived as passive owners (the family ownership was exercised through a foundation) while in Fazer, the family was still present in operative everyday business: “The owners in Fazer come to work every morning. They don’t care much about profit but what’s important is that the company has quality products, a good image, great marketing and that the staff is well. That’s most important. In their minds, this leads to a good result. You don’t start with a good result but with the best products. Peter Fazer was never angry if you made a bad result but he raised hell if the products weren’t in top condition. Product quality, then top marketing, it should be Finland’s most attractive brand. And it is.” (Finnish manager 2002).

Strong traditions were important and a distinctive character of the organizational frames, but when it came to integration, this inhibited the change process: “Financially we have succeeded, but when it comes to being one Cloetta Fazer, we are not there yet. We are still Cloetta and Fazer in many ways. It’s two very old companies with very strong business cultures. I mentioned that one of the two is a family company which explains that the agenda for what’s important and not important is different. One has been under tighter control than a listed company that is driven based on generally accepted driving forces while a family company is
driven by individual peoples view on things and maybe much more emotions. You have inherited something to keep and change becomes heavy and dramatic. Your ancestors turn in their grave, ‘what would they have thought?’. These things are difficult to handle. It embodies the organizational way of working and this is also why it’s hard to create one Cloetta Fazer.” (Swedish manager 2002).

Financial success in both organizations proved tradition to be the right way of working and this, together with the requirements from the accounting technique (pooling) of balance between the organizations, made integration a difficult path to tread. “It’s sensitive. ‘What will this lead to?’ is a question in the back of our mind. ‘Who was it that bought whom?’ ‘Will this be a true merger of equals?’ We’re stuck in the old. The old Cloetta and the old Fazer. People have the old history in their minds, ‘This is how we did it at Cloetta and we’ll continue to do it this way’. ‘We did it like this at Fazer and we’ll continue to do it this way’. There is no cooperation in some areas and then when a way of working from one side of the line is implemented this creates worries on the other side, ‘Now there is too much Cloetta in this area, and there is too much Fazer there’. What will happen now, what will this lead to?’ These emotions are understood. There are worries about if this will last, and if not, what will become of Fazer and Cloetta? [ ] Do you see? These feelings of suspicion pop up all the time. Who will take over whom?” (Swedish manager 2003).

But what was it that created such strong bonds between people and organizations? Even though some of the Fazer family members went to work in the factory, the people in the management group were not related to the Fazer family. And even though the Cloetta family did not work operatively in the organization, people on the Swedish side seemed to be as committed to the organization as the people on the Finnish side. In addition, most managers had worked for less than ten years in the company, but still they talked about it as if it were their own pedigree they presented (and protected).

Organizational culture and identity

Cloetta and Fazer were company names but they were also brands, printed on the products together with the product brand. In Finland the brand even had a triple connection: Fazer was the name of the owners, of the company and of the most successful product. When talking about organizational identity and culture it was hard to separate these from the brands Cloetta and Fazer. At the first Business Academy meeting (the identity project), the managers brainstormed around the two “cultures” Cloetta and Fazer and came up with some key words to describe how the managers perceived the image of Cloetta and Fazer as brands (see table 2).
When I asked the managers to describe what they meant when they talked about Cloetta and Fazer culture one thing that was on top of their mind was differences in social class (even though they never used the word social class). Fazer was the elegant company with top brands, managers had academic degrees and international interests and many were Finland-Swedish (which in itself was described as an indication of upper class in Finland). Cloetta was the up and coming local company with rural roots and everyday products with a sporty feeling. Since most managers did not know very much about the other before the merger, maybe this is either brand related or a result of how they presented themselves to each other. Irrelevant of where these ideas came from, they were a part of the frames used.

Cloetta and Fazer both had business in other countries, but for Fazer managers, it was important to stress that Fazer was more international than Cloetta: “Fazer had about half the turnover and profit in Finland and the other half outside Finland. Cloetta had most of its business, 80 to 90 % in Sweden. So Cloetta is super Swedish

<table>
<thead>
<tr>
<th>Cloetta</th>
<th>Fazer</th>
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<tbody>
<tr>
<td>No. 2 in Sweden (difficult situation). Marabou has the higher quality</td>
<td>Family tradition</td>
</tr>
<tr>
<td>Unknown in Finland</td>
<td>Big, strong</td>
</tr>
<tr>
<td>Kexchoklad, happy colors</td>
<td>Fazer known but sales are not good – not professionally managed (in Sweden)</td>
</tr>
<tr>
<td>Everyday candy, not celebration</td>
<td>Attractive workplace, high status working at Fazer</td>
</tr>
<tr>
<td>Modern, youthful</td>
<td>Core brand in Finland, good image outside Finland</td>
</tr>
<tr>
<td>Little brother complex</td>
<td>Fazer has not been able to act with authority in Sweden</td>
</tr>
<tr>
<td>Super Swedish – welfare state</td>
<td>Elegant, extraordinary, sophisticated, Karl Fazer, Glogatan</td>
</tr>
<tr>
<td>For everyone</td>
<td>Quality, pleasure, style, “nice perfume”</td>
</tr>
<tr>
<td>The chocolate is not Rolls Royce, Marabou is no. 1</td>
<td>Finnish, boring</td>
</tr>
<tr>
<td>History – old family company</td>
<td>International</td>
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Table 2. Key words used to describe Cloetta and Fazer at the first Business Academy in 2000.
and Fazer was a rather international company.” (Finnish finance manager 2002) ”I do have a Fazer perspective, but if you look at Cloetta and Fazer I see Cloetta as a local company, more than an international company.” (Finnish marketing manager 2003) In Poland they had another perspective based on the situation that Cloetta was a listed company: “We are looked upon more seriously now. Before it was more like 'Fazer thinks it’s nice to have a spot on the Polish map'. We’re more international now, even though Cloetta Fazer is not a real international company, but it’s a new culture that is good for us. To be quite honest it was not always easy to deal with the Finnish side. Finnish people are not the easiest to communicate with but now it’s better” (Polish manager 2003).

Maybe the prominent position for Fazer and the Fazer family in Finland influenced the managers and made them used to taking over any situation. “Fazer has its own culture, and it’s a high culture. Fazer has been able to build an image that is peerless. If you look at the people that go to work there they are well educated, and they will even take a lower salary to get a foot in the door at Fazer because it’s considered a merit. And Fazer is Finland-Swedish. It stands to reason that they say that ‘Swedish is spoken by the better people’. The Finland-Swedes often have a higher educational level and the Finland-Swedish families own, for historical reasons, most of the fortunes. That’s why I call it high culture. They (Fazer) are a bit uppishly. In Cloetta things are not like that and that was hard in the beginning, even for me. We felt inferior when we started working together.” (Swedish production Manager 2003) And this feeling of being put in place was probably strengthened by the differences in communication style, since the Finnish communication style was traditionally more about information than dialogue. “We come with nice presentations and arrows and everything and it’s very theoretical and top-down and in Sweden they are not susceptible to that kind of communication so that’s a huge challenge for us working cross-border. And the differences are sometimes so small that you don’t even think that it’s about national differences but that it’s about individual problems” (Finnish HR manager 2003).

Systematic or ad hoc way of working

Descriptions of ways of working

The upper-class position and the academic influence on way of working were intertwined, and even though the managers in Fazer recognized that both organizations had performed well in the past, they could not imagine moving from a theoretical, structured and systematic way of working and adopting Cloetta’s adhoc-style, characterized by solid practical know-how. “To paint things with the broad brush I would say that Fazer is an academic organization with competent people. For the Finnish market. A Swedish product manager is expected to be creative and come up with good campaigns. They don’t need to do that in Finland. Instead they analyze the market, look at market trends and develop new products and concepts. Cloetta is the country cousin with good sellers and managers that come up with
campaigns. I would say that professionally the Finnish side is better. Especially for the Finnish market. If you transfer their way of working to Sweden nothing happens because they drive a steamboat and we need to go waterskiing from time to time. We need different people with the market situation that we have now.” (Swedish sales manager 2003) From the Finnish side, some marketing managers experienced that the situation had worsened after the merger and that the new company did not spend as much on market analysis as they had done in Fazer. “Unfortunately the systematic market information collection is not on the same level because of the standpoint of the Swedish sales organization. They don’t think we need this information and the budget is made within the Swedish apparatus so they have taken away many investigations in the standard package. But we are trying to get back to that because we need this basic information and all the strategy work and that decisions should be made on facts.” (Finnish marketing manager 2003).

The Swedish sales and marketing organization was described as following a push logic, to supply the market with products by selling volumes rather than building brands, while in the Finnish marketing and sales organization it was all about building brands, and working according to a pull logic, to create demand for the brands and products. Another difference on the Finnish and Swedish markets was the customer structure. “Our distribution is totally different, we’re totally centralized in Finland and in Sweden things are more decentralized. Then we have the differences in which brands are strong on each market respectively. [] In Cloetta they have had scarce resources on the market side and this lead to a short-term focus. They have not been able to work thoroughly with plans but instead they are putting out fires and due to this the sales department has been much stronger in Sweden. In Finland it’s the marketing department that is in control but in Sweden it’s the sellers that initiate and ask for campaigns.” (Finnish marketing manager 2003) The position on the market could also be one way to understand how company procedures had developed: “Fazer is better at brand building and I think that’s because the company has worked in an environment where Fazer has always been the market leader and has learned to act like a market leader. Fazer has run the development and had all the contacts with the confectionery customers. In Sweden the customers went to Marabou instead. This situation made Cloetta fight from an underdog position and I think this can explain how we developed different competencies. Cloetta is fast, works in simple ways and maybe doesn’t have it all documented in a fancy folder, while Fazer is filled with those folders. Cloetta is good at getting things done while, to tease Fazer a bit, I could say that they sit and think about their theories and complicate things a little too much. And we could learn from this. What if we got a company that had a little bit of both? That would be nice.” (Swedish finance manager 2002).

As I hinted when talking about decision process, there was a contradiction in how they described each other. In contrast to the national decision making style, Fazer as an organization was described as having an analytic style while people in the Cloetta organization worked in a trial-and-error way.
Resource employment
The difference in organizational resources was visible in the manning of the organizations. Cloetta was a slimmed organization but in Fazer, there were plenty of people. “You never know how many will show up from Finland because you never really know how many managers there are in one area and what position they have.” (Swedish manager 2003) “Things are starting to even out but I felt that it used to be three against ten in the beginning. It was hard. I still can’t understand how many people they engage in a project. Two months ago we started a project to move a line from Sweden to Finland and I lobbied in the corridors to get people to come along to the meeting. Then I said ‘okay, we don’t need to go six of us, but a couple will do’ but they said that it was important to show up. Then when we came to Finland it turned out that they had at least fifteen people at the meeting.” (Swedish production manager 2003) This organizational oversize was recognized as an outcome of working in a wealthy organization: “The Finnish way of working is not so efficient all of the time. We have high fixed costs compared to for example Sweden but when a company is profitable, personnel issues can get more room.” (Finnish production manager 2003).

A large number of people in the Finnish organization were engaged in quality work. In addition to the raw material analysis performed by their suppliers they analyzed raw material themselves before using it to confirm quality standard, while in Sweden they relied on the analysis made by the suppliers. Although, there was one area where Sweden exceeded in head counts, the sales force: “In Sweden it’s still important to have a broad and strong sales force because you can still influence the customers. Things are being controlled more tightly in Sweden now, like in ICA where they decide which products that get to be on the shelf. So things are being more controlled but still the sales persons can influence a lot. We visit very much customers. Very few say ‘No, we don’t accept sellers’. I think Finland has moved away from that. Things are more centralized there.” (Swedish sales manager 2003) The decentralization among the retailers in Sweden (especially in ICA) created a situation where the sales force encountered many small independent retailers, compared to the centralized purchase departments in Finland that managed all the purchasing for the supermarket chains.

Hierarchical organizations but in different ways
The description of ways of working in Cloetta and Fazer seemed to be in line with what the brands Cloetta and Fazer signaled. On the one hand there was the fast, slimmed, youthful Cloetta that ran off to play, sometimes without thinking, and on the other, the settled, analytical, distinguished Fazer that spoke in a serious voice and was used to being listened to. “On the Finnish side they liked to make a thorough strategic analysis for the future, while in Sweden they worked with shorter periods of time. For example if we had a project, we wanted to document it and write down the objectives for a follow-up. In Sweden they did not do it like that and the briefings were short and oral. The level of documentation was vastly
different. I think this created frustration on both sides. In Sweden they thought ‘oh, they’re bureaucratic with all these forms for documentation’ and in Finland they thought ‘How can one do anything at all if one can’t even write down what you want’. Frustration on both sides.” (Finnish marketing manager 2003) Based on this description one could think that the authoritative voice in Fazer was matched by a hierarchical organizational structure and that Cloetta’s ad hoc way of working would be expressed in some kind of network structure, but when it came to structure, it was an ambiguous picture that emerged.

Fazer was the more bureaucratic of the two, with formal rules and reporting systems, and the organization was also described as more centralized where status, expressed in managerial titles was important, but still, Cloetta was perceived as the more hierarchical organization. “It still surprises me that I see the Cloetta sphere as so hierarchical. They are more dependent on top-down management while in Fazer, especially when Peter Fazer was alive and we had a clear master’s voice but in operative business we had quite a flat organization. We did not have many levels of managers but we had many levels of functions.” (Finnish marketing manager 2003) This was confusing to some managers: “Things go this way and that way. Sometimes one says that the Finn is more hierarchical but then I feel that Cloetta is more hierarchical, at least when the old CEO was still in the company. He decided everything and everybody listened to him. In Finland we’re used to working in a hotchpotch of managers. Then one can ask if it’s good to have a hotchpotch or not. Maybe it’s too unstructured?” (Finnish production manager 2003) The Swedish CEO that was in charge the first years after the merger managed the business tightly: “It was everything from getting the company listed on the stock exchange to deciding where the bicycle rack should be placed. Crazy!” (Swedish sales manager 2003) But not all agreed that the Swedish organization had centralized control: “(In Fazer) one believes in strong central units that control the local levels while in Cloetta we have had, and maybe this is typically Swedish, Cloetta was eager to have a decentralized decision making with independent, local sales managers with responsibility for their own results. We believed that this created incentives and interest for the job.” (Swedish finance manager 2002).

Another difference was that in Sweden, managers were used to working with the board of directors on different hierarchical levels while this way of working did not exist in Finland. “First of all we have so many levels of decision making. If we start with the board on top there are nine people (representing the owners), and they we have a small group of three people (the top managers), and then we have the company management with nine people and then we have company management groups for the subunits. In Finland we never worked through boards. We write papers, short papers. We never have board meetings but we sign papers and I sign them four times a year and they are written on one page. We have never worked through boards. We have taken away all the boards because it leads to sub optimization. We do have obligations but we can take care of that by filling in the
Management ideas
The difference in management style seemed to be one of the reasons for people experiencing the organizations as hierarchical or not. In Sweden, they had a tradition of working with strong individual leaders while Fazer had a strong owner, the family, but in the organization things were controlled more by formalized routines rather than by individual managers. “I don’t believe that leadership (leaders) should control, you see a lot of that in Sweden, but in my view it’s the management structure that control leadership (and leaders). You can’t create leadership if you don’t know what you want to achieve through mission, vision, objectives, processes, and so on. You have to have those things in place first before creating a leadership.” (CEO 2003) The same manager stated in an earlier interview: “Fazer was tightly controlled in a matrix structure and all decision making took place in Finland. It was centralized control over the sales companies in other countries” and that “it has been really tough to move decision making from Finland to Solna”. Thus, the two organizations had worked with centralized control, but in different ways. The Fazer style was to emphasize the management system while in Cloetta they emphasized the individual leader.

The emphasis on management systems might be the reason that it was more important for Fazer to transfer their way of working since it was a system that should include the whole organization, while in Cloetta they did not care much for these questions since leadership was an issue for individuals, not something expressed in formal structures: “Fazer has a very particular way of working and an enormous ambition to transfer this to others, which is special. [ ] One example is these RRM (resource release meetings) when we meet once a quarter and release resources for different projects and they want the product managers to fight for these resources. As a Swede, and I have worked in American companies as well, you’re used to getting a budget for one year and then you go. ‘These are the rules, go!’ . Now one person sits and distributes money as we go along. In Sweden we would like it to be more like ‘mind your own business’ but they want to be everywhere and have centralized committees and coordinate everything. We are expected to sit in on meetings and report and get approval. More like an Eastern European state (communism).” (Swedish manager 2003) With these two ideas about control in the back of the mind, it was interesting to see that in spite of this, many managers saw the merger as successful, especially in financial figures. “The integration has been very successful. The only thing that I think is unclear is how our organization looks. Are we really in a matrix organization or is it country based?” (Finnish production manager 2003) The background to the uncertainty concerning organizational responsibility was found in the two parallel organizational charts used during the integration process.
Organizational structure

Change of structures
When merging according to the pooling technique, the companies made some adjustments in size so that it would be a true merger of equals. Cloetta sold its trade business19 to match Fazer Confectionery, a subsidiary of the Fazer group (see figure 5). Candyking (sales of loose weight candy) remained in the Fazer group and is a customer to Cloetta Fazer.

![Diagram of Fazer group in 2002](image)

Figure 5. Fazer group as presented in 2002.

After the merger, two organizational structures took form, a functional and a matrix structure, and they both co-existed in the integration process. In the new structures, an additional hierarchical level was added: the Cloetta Fazer level. The functional structure (see figure 6) was mainly used in external communication. In this structure, three of the subsidiaries were production units and the rest were sales units. Besides the Finnish, Swedish and Polish markets there was export to countries such as Norway, Russia, the Baltic States, Germany, Czechoslovakia and the USA.

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19 The trade business had a portfolio of food products other than chocolate and confectionery.
The matrix structure (see figure 7) was mainly an internal tool to explain the top managers’ expectations of cooperation between countries and the four main processes\(^{20}\): marketing, production, HR and finance/IT.

\(^{20}\) In the matrix organization the managers called the functional departments in the horizontal position processes, inspired by ideas of process organization, and the vertical units was called country or sales organizations.
The reason they kept two different ways to illustrate the organization was related to
the leading managers in the company: “I describe it like this (function) and he
describes it like a matrix. He’s that kind of matrix and process thinker while I’m
old school. I’m stuck in line, staff, Eric Rhenman and Stockholm School of
Economics. I can’t think like that and I just feel ‘matrix, weird thing’. To me the
functional chart is a kind of matrix thought even if you draw it like that, because
the people in the staff can go to the line and give instructions and coordinate and
control within their areas. It’s just different ways of drawing things.” (CEO 2002)
As long as the CEO that initiated the merger remained in the leading position the
functional chart was the main chart, and the reason was said to be that this structure
promoted quick wins since each country could concentrate on its own result. After
two and a half years the CEO retired and since this had been known in the com-
pany, a crown prince (the vice president) had been appointed soon after the merger.
As in many other areas, this choice embodied the idea of balance between Finnish-
ness and Swedishness, and since the old CEO was Swedish, the crown prince was
from the Fazer organization. The new CEO had talked about the matrix idea in the
organization during the time as a vice president and when taking over the lead in
the company this idea would be realized. The reason for introducing the matrix was
that the cross-border integration would reduce sub-optimization in the company as
a whole and create new possibilities to achieve additional synergies from the
merger.

CB: “Has it been difficult reaching a shared image?”
Manager: “We don’t have a shared image.”

CB: “You don’t?”
Manager: “No, it’s not like that. If you look at the company as a whole, people
have different perspectives on whether the processes (functions) are in
control or if they have a support and coordination function.”

CB: “But as I understood it from the strategic meetings in the management
group you have worked a lot with finding a shared image. But in spite
of that you haven’t found it?”
Manager: “No, well, I think people agree on the market situation and what we
have to do, but then how to get there, what steps to take, that’s where
we don’t agree. When things become concrete “What should we do
about this?” then we are not all onboard. There are a lot of
expectations. The Cloetta brand has to grow and the Fazer brand has to
grow but most important is that the Cloetta Fazer brand grows. But
again, you don’t want to lose the old identities. We have to be clear
about this. And we can’t have two organizations because then we have dual loyalties.”

The shift of focus, from functional to matrix structure, got strong reactions, especially from the Swedish side, and people were confused about what it meant to work in this new structure.

**Legitimizing the matrix idea**

When the new CEO took over in 2002, the matrix idea was accentuated in a stronger way than it had been during the first two years. The idea with the matrix was that it would be a unifying structure for the new, merged company. However, among some of the managers in the company, the matrix came to represent the ambiguity they experienced.

CB: “What are you laughing at?”

Manager: “This is such a wonderfully confused image and that’s just what the matrix organization is. There are market areas and juridical areas, processes and unclear responsibility for the results and customers and what is coordination and control and how is this done? I think the matrix is okay but you have to know what the purpose is. What do we want to achieve with this? Is it a reference group or is it exchange of experience or is it a decision forum or what? Things have maybe been a bit unclear.”

The set-up of the matrix structure changed many times during the years after the merger and for example in October 2006, the matrix had grown to include six market areas (vertical) and nine processes in the matrix. One source of inspiration for the structure was the company ABB who used a matrix organization under the leadership of Percy Barnevik. Some of the managers had a history of working in ABB and their stories were used in the organization to talk about the idea of the matrix. At ABB, the matrix was defended as the only possible principle in a complex world (Berggren 1996). Managers that had not worked at ABB themselves started to use the stories as well to illustrate what they considered key aspects of this structure: “The decision processes should be defined, what decisions to take and how to solve conflicts. It was Percy Barnevik in ABB who said that if the managers had a conflict they could come to see him once, but only once” (Finnish production manager 2003). Another way to argue for the choice of a matrix was that it was a way to combine the previous organizational ideas about organizational structure: “This is a compromise of the Cloetta-way for control based on a juridical structure and the Finnish organization, Fazer, where they used to work based on markets as result areas since they weren’t a juridical area but an area within the division. They didn’t have the juridical structure as a basis for management control so to say. And based on this combination we could find a system from an financial
perspective that worked” (Swedish financial manager 2003). But the main purpose with the matrix was as mentioned above that it showed a way to create additional synergies within the company based on cooperation between countries and functions.

In relation to the notion of potential synergies through further integration people were positive to the matrix: “If we want to be (one) Cloetta Fazer in the future there is no other way. If we want to have three companies in three countries we can skip the matrix organization. If we want to be Cloetta Fazer, no way, we have to have this kind of common view” (Polish manager 2003). “There is no other way to control this kind of company than through a matrix” (Finnish manager 2003). “This structure is great for the integration process” (Swedish manager 2003). The managers often talked about the need for balance, and the matrix was a visualization of balance between the constituting parts. One could say that the matrix illustration represents a notion about an ideal super society, a harmonic state where communication flows freely and where people know their tasks and are working towards a common goal in an innovative and cooperative way. The image of the matrix went hand in hand with the idea of organizational oneness. But even though the structure in itself was not questioned on an ideological level, the organization had not settled some areas of conflict that the matrix gave rise to, and the main conflict was found between local and central units, i.e. between the horizontal and the vertical positions.

The matrix in practice

Balance was the ideal, but in practice, the matrix was characterized by imbalance. At the time of the interviews in 2003, the country based sales organizations still had a stronger influence on the operations in the company but the new CEO wanted a power shift so that the processes would have more to say since they were working with long-term strategies for the company. So the primary conflict was to try to figure out who was in charge: country managers or process (functional) managers. The country managers had to present financial reports every quarter and they were evaluated on financial results. At the same time the functional managers wanted to make long-term investments, for example in brand building, and this collided with the short-term financial goals. Then there were the middle managers that were supposed to listen to both process and country managers: “I listen to both but sometimes I’m the chief of that guy (the country manager) according to the process so ...” (Polish manager 2003) The middle manager had two bosses, the country manager that worked in the same organizational unit and the functional manager that was in charge of the process. As the quote shows, the middle manager sometimes got directives from the process for things that needed to be implemented on a local level and in that way the middle managers was “in charge” over the country manager concerning some matters. To work in the matrix required “an enormous amount of communication and understanding and good will and cooperation so that if you are the CEO for Poland you have to have a very good cooperation with
the process managers as well” (Polish manager 2003). In practice, the balance between country or function, was dependent on whether the top managers were perceived as strong leaders or not. “If I’m about to make a decision I get approval here (in the country organization) and then I inform the process. But I think it depends on where you sit and how strong the different leaders are. And it also depends on what you want to achieve. I mean, sometimes you have to be smart if you want to do something. But anyway, for me the country organization is more important because that’s where we create the result. In the process it is more ‘nice-to-be’ and we work with development and try to make our work more effective. The process can’t be an end in itself. If you don’t know what you want to do with the process organization the process can grow because it’s nice to have a process and a space that is your own. This is the old hypothesis about bureaucracy that grows on its own and there’s a danger of that if we are not customer focused. Then we grow for our own sake.” (Swedish manager 2003).

In some parts of Fazer they had worked in a matrix before the merger and were used to that kind of organization: “The matrix is well known to me and I have worked with the concept for six, seven years. I have used a matrix organization here in Finland for a long time and in Poland as well. This kind of matrix organization is an ideal and a very strong opportunity for us in the future if we want to be profitable. This is a weakness today because we are ready to show an image of this kind of organization but we are not ready to implement it, but we have to implement it, we have to implement it. We have to have marketing centralized, global marketing, and we have to have centralized purchasing. I know that it’s not easy to work in this kind of organization and it require responsible individuals that cooperate with each other. And the professional responsibility runs that way (horizontal) and they help the country organizations with their business. But if we get a conflict, if there is a battle between the country and the process boards, horrible, horrible! But the matrix organization is our only possibility for the future because it reduces overheads and the professional organization (the processes) can concentrate on their core business and work with best practice throughout the organization.” (Finnish production manager 2003). The idea about centralization was often presented as something quite positive: “I like the idea of sharing knowledge, sharing responsibility, and sharing authority because then we can work on getting specialized in our area without having to learn other things.” (Finnish marketing manager 2003). “It’s really about taking an overall group perspective and make decisions that are in favor of the group in whole. That’s the essence of it. Then there will be units that have to make concessions in order for the group to prosper but I think people understand that or will have to understand that in the future.” (Swedish sales manager 2003). “Since we have business in many countries and in many juridical units certain things must be controlled and made more efficient instead of sub optimization in units or on markets. So it’s about centralized control on certain processes to coordinate things.” (Finnish manager 2003).
That the managers should control the business was quite uncontroversial but how they did this caused concern in the organization. “Sometimes they say that we can only achieve synergies if we work in the same way, which I don’t believe. There is no reason to work in the same way on all matters. On the contrary I think it’s good to work a little bit different depending on how the market looks because our customers have somewhat different structures. So sometimes I think that the idea about the matrix is too sweeping and that it is here to ensure that we all work in the same way. Some days I feel like that’s the case.” (KL manager 2003). Even though the people on the Swedish side were more critical to the matrix, maybe not so surprisingly since they were not used to this kind of structure, there was an agreement that the matrix was not yet fully functional. “The most important thing is that the vertical and horizontal objectives must be more or less the same. With the structure we have today there’s only people yelling at each other and not much happens. And even though we have a better balance now, the main focus is on the country organizations since they are measured on results.” (Finnish marketing manager 2003). The focus on results put a focus on the country based organizations. Thus, the control of money was an indicator of status in the organizational hierarchy.

The control of money

The lack of direct control over monetary flow was one explanation as to why the processes did not have as much to say about organizational activities as the country based organizations. In HR and Finance-IT this was not a problem in the same way as it was in the marketing and production processes. “In my world they (the marketing process) are sitting in between without power. They would probably not agree with me that they have no power but it’s not like they can put the foot down and say that ‘let’s do this or that’. They have to anchor every decision in a number of management groups. And if I have gotten this right, central marketing does not have any money of their own but they are only distributing money that they take from each country’s wallet.” (Swedish sales manager 2003) The increased multitude of people sharing money in two dimensions was shown in practice for example in the budget process: “When we did the budget last year this became clear when the budget process all of a sudden was supposed to cover the organization in two directions. First we did a budget for Sweden, where I added my share, and then we did an overall budget in the process and then we had to coordinate these and we had to take a step back from both sides to coordinate this. It took two months longer than a normal budget process. There are no possibilities with all the meetings in different places. You lose the power to act.” (Swedish sales manager 2003).

It was not only during the budget process that people got confused over who was in control of the money and one example was when activities in the production process were charged to the budget of the country based unit. “Decisions are made and costs are transferred to other places than where the decisions were made. This
morning we had an example when I heard that they had started a project of moving production lines between factories and that the costs are charged to my account and I had no idea about this. Well, I know that they are moving things but I didn’t know that they had transferred it to our line budget and I don’t like it because I have not budgeted for these projects. The other day there was a test run in the factory and the cost for material was SEK 30,000 but I mean 30,000, that’s half of my entire budget for materials and they spend it in one sweep.” (Swedish production manager 2003). From the central perspective, they wanted people on a local level to take more consideration to the centralized perspective and saw a reward system as one way to reach agreement in the organization: “We should have agreement on goals and rewards on a country based level so that people would not just run their business as usual but also get a reward for taking the group perspective.” (Finnish marketing manager 2003). And on the country level they felt the same way, they would like the functional managers to consider the need to achieve results on the markets each year or each quarter: “If we have good results they take pride in this but when the results are bad, and that happens sometimes, they are not part of this at all and it’s the country based organizations that have to answer for this” (Swedish sales manager 2003).

Naming during framing: from matrix to process

One aspect that complicated the use of a matrix chart was that they had used matrix structures in some of the Fazer units before the merger. To leave this connection to the old way of working the chart was named a process organization\(^{21}\) in an effort to put emphasis on learning and integration. But the change from matrix to process organization was not successful in terms of leaving old connections behind, since process was interpreted as being something from the Fazer-side as well. In addition, it was a fuzzy word.

Manager: “Well, what is a process? Can you explain it to me?”

CB: “No, but could you please describe it to me.”

Manager: “I don’t know what it is. It’s something that’s constantly ongoing. It never stops I imagine.”

CB: “Is it like that in practice as well?”

Manager: “No. It’s just a word. A Fazer word. (laughs) We have so much fun talking about that: ‘Now I’m going on the lunch process.’ We all get it. Everything is processes. And now we’re part of a process organization.”

\(^{21}\) Process referred to functional departments in the matrix. In the organization they talked about process managers but in this thesis I refer to them as functional managers.
CB: “Yeah, last year when I did some interviews it was called a matrix organization but that has changed to process organization. I don’t know, maybe it’s just …”

Manager: “A buzzword. But, yes, a process is something ongoing that never stops. But it’s not a word we suffer from. It’s just fun. We laugh at it.”

Process was described as a buzzword, a word that is fashionable to use, and in this case it had lost its original meaning due to overuse: “Everything is processes”. It is an illustration that the intended meaning that was supposed to be delivered via the word had not been communicated to the receivers. Instead it became a locally defined word in a smaller group to describe an expression of a norm template of the other as something abnormal and therefore funny: “It’s just a word. A Fazer word.” Not even among the KL managers the meaning of the word was clear:

Manager: “Well, a process. A process is about flow and if you think about finance it’s more of a function. When it comes to marketing, finance maybe we should talk about functions instead and then it would be easier to understand. When we talk about processes we really mean support functions.”

CB: “So what is the reason to use the word process?”

Manager: “I think it’s just a choice. To work with a terminology that everybody understands. One used to talk about processes and the thoughts went to a flow of some kind, like a supply chain and it seemed far off to talk about marketing and finance as a process, but today we talk about marketing process and finance process and so on. At least on a KL level. But I don’t know. Maybe you have another picture of this since you have been talking to people? Do they understand the concept of process in the same way?”

People said that they knew what process referred to, but as the initial story shows some managers joked about the alternative way of using the process concept. In the quote above, a manager in marketing and sales called process a Fazer word, but it was not only a question about how to talk depending on whether people came from Fazer or Cloetta. People from production and IT had a hard time understanding the process concept the way it was used in the organization, since in technical literature, a process is strictly defined as a flow of events: “A process to me is something that has an end and consists of a number of transfers.” (Swedish production manager 2003) One reason that the top managers chose to talk about a process organization was to try to show that this was something new, different from the previous ways of working in Cloetta and Fazer. Another reason was to emphasize the need to connect the different organizational units to each other and not sub-
optimize in the separate units. Before moving on to describing the Business Academy meetings, I will summarize the Cloetta and Fazer culture frames.

FRAMING CLOETTA AND FAZER

To sum up, I have used some keywords in the table below (table 3) to illustrate aspects of the Cloetta and Fazer culture frames. The aspects that are mentioned in the table are nationality, decision making style, time perspective, history, class, education level, business orientation, structure, management, manning and way of working. In the text above, I separated the national and organizational culture frames on the basis that the managers themselves talked about two different cultures when trying to describe differences. In this summary, I have called it the Cloetta and Fazer frame since I perceived that the organizational culture frame was dominant in relation to the integration process and thus nationality has become one of several aspects within the organizational culture frame. The table is not a ranking list and it is hard to settle the importance of each aspect. In addition to this, the aspects are often intertwined. This is not to say that the aspects are unimportant since I see them as keys to understanding where possible difficulties could arise when trying to merge two frames during an integration process.

<table>
<thead>
<tr>
<th>Main characteristic:</th>
<th>The Cloetta frame</th>
<th>The Fazer frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationality:</td>
<td>Swedish</td>
<td>Finnish</td>
</tr>
<tr>
<td>Decision making style:</td>
<td>Slow start, smooth process</td>
<td>Quick start, trial-and-error</td>
</tr>
<tr>
<td>Time as a symbol:</td>
<td>Long time is quality</td>
<td>Short time is efficient</td>
</tr>
<tr>
<td>History:</td>
<td>Old company</td>
<td>Old company</td>
</tr>
<tr>
<td>Social class:</td>
<td>Middle-class</td>
<td>Upper-class</td>
</tr>
<tr>
<td>Education level:</td>
<td>Learning by doing</td>
<td>Academic traditions</td>
</tr>
<tr>
<td>Business orientation:</td>
<td>Volumes</td>
<td>Brand building</td>
</tr>
<tr>
<td>Time perspective:</td>
<td>Short-term</td>
<td>Long-term</td>
</tr>
<tr>
<td>Structure:</td>
<td>Function</td>
<td>Matrix</td>
</tr>
<tr>
<td>Management:</td>
<td>Individual leader</td>
<td>Management system</td>
</tr>
<tr>
<td>Manning:</td>
<td>Slimmed organization</td>
<td>Oversized organization</td>
</tr>
<tr>
<td>Way of working:</td>
<td>Responsive to market</td>
<td>Systematic planning</td>
</tr>
</tbody>
</table>

Table 3. Summary of the Cloetta frame and the Fazer frame.

I would also like to point out that these frames are based on the managers’ perceptions of the two companies during the time of the study. It is quite possible for different groups in the companies to perceive the organization in other ways and that the frames Cloetta and Fazer have different connotations for them.
SUMMARY OF “PRE-MERGER FRAMES”

This chapter in short: to describe culture frames in the merging companies

People in the company usually referred to national culture when they described differences between the organizations. Swedes are like this and Finns are like that. There was also a Polish unit in the organization but other than being a strategic option for future development, they had a minor role in the company. People in the company experienced the Swedish and Finnish combination as the most problematic, probably due to the large size and the dominant market position of these organizational units. Something that was typical when describing national character was how people from different countries worked in the decision process. Swedes took a long time to reach a decision but after the decision was made, the implementation went quite smoothly. Finns were quick to make a decision but then they usually had to change directions many times in a trial and error style. When talking about this the managers emphasized that one style was not better than the other: they were just two ways of working.

When it came to organizational culture, there were many managers that actually saw this as a bigger problem than national culture, even though to describe the problems they talked about Swedes and Finns. One reason that organizational culture was dominant could be that Cloetta and Fazer referred to organizations as well as to brands. Thus, the strong brands had an internal effect in terms of ideas about what to do because of who they were. In addition, the national and organizational cultural frames stood in contrast to each other. While the Finns were described as quick to make decisions, the Fazer people prided themselves on being careful planners that used academic methods to systemize the work process. The decision process in Swedish companies was said to be thorough and well thought out, in contrast to Cloetta people that were reported to make decisions off the cuff. Other contradictions appeared in the description of the organizational structure, when people from Finland and Sweden both referred to their own structure as the less hierarchical of the two. At the end of the chapter, a frame summary was made to highlight some characteristics for each frame and this summary shows that there were many differences that were not addressed during the integration process.

Reflecting on integration

When it came to the pre-merger frames, I would like to comment on the role of national and organizational culture frames in relation to integration. A discussion about the choice of organizational structure is included at the end.

What is the reason that the Finns were described as academic planners while at the same time, they were said to run off and make decisions in a trial-and-error style? And why was a similar description used to portray the Swedes as mindless doers
who, when it came to decision making, worked carefully to ensure a smooth implementation? Well, first of all I think this is a fine example of the complexity of organizing in general and of an integration process in particular. An organization is a bundle of contradictory voices and during the interviews I noticed that even the same individual was not always consistent when expressing an opinion on something. In integration situations previous assumptions can be questioned and people try to make sense of the new situation by trying out different ways to explain what they encounter. Even though you could find examples of careful planners and restless doers in both Finland and Sweden, the organizational cultures and their brand image matched one behavior better than the other. In Fazer, the brand was about being serious and well educated and this went in line with planning ahead. In Cloetta, the brand was about being a playful youth and this worked with a more impulsive style for acting. Therefore, when the companies had such strong organizational cultures, I would say that national culture was of less importance to understand problems than organizational culture.

One way that the KL managers tried to solve the problems that appeared during integration was to introduce a matrix organization. The matrix represented how people were supposed to cooperate and be a part of a whole, but how come that it was so hard to get some people to accept this structure? One answer was that many managers saw this matrix as an ideal for how it should be, but when working together on a daily basis, they found it hard to cooperate due to different ways of working. Another answer was that some managers on the Swedish side saw the matrix as an insidious attempt to transfer the Fazer way of working to the rest of the organization, and they felt uncomfortable with this. What does this mean in relation to integration? On a theoretical level, the matrix seemed like a good idea to represent the ideal of a high degree of integration but in practice, the matrix became a symbol for one culture dominating the other. But what would the alternative be? To leave the organization with different structures in different units? This could be an alternative but from a control point of view it was probably attractive to have a neatly structured organization because this would make controlling easier. If this is the case, one has to remember that a high degree of integration is not intended to improve operations but to improve controlling.
The Business Academy: An arena for integration
THE BUSINESS ACADEMY

A forum for integration of the management group

As mentioned in the chapter about the post-merger integration process, the Business Academy started as one of the integration projects during the rapid integration but changed into a meeting for continuous development towards a shared culture and understanding within the management group. In this forum, the top managers met to talk about everything from a new strategic direction for the company to a new, shared culture. They also invited consultants to this forum to talk about different matters such as environmental analyses, aspects of strategic work and current business. In 2001 some formal objectives for the meeting were developed (see table 4).

<table>
<thead>
<tr>
<th>OBJECTIVES FOR THE CLOETTA FAZER BUSINESS ACADEMY</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Increase the we-spirit and create a better understanding of, and conditions for, cooperation within the group</td>
</tr>
<tr>
<td>➢ Get an opportunity to network within the group and thereby increase understanding for similarities and differences between the different processes and companies</td>
</tr>
<tr>
<td>➢ Increase the top manager’s competence in strategically important areas</td>
</tr>
<tr>
<td>➢ Stimulate development towards increasing the number of people involved in the strategic dialogue</td>
</tr>
<tr>
<td>➢ To see beyond the operative and local business, and become acquainted with general environmental analyzes and trends</td>
</tr>
<tr>
<td>➢ A professional updating of “tools and models for analysis” to successfully manage and develop the company</td>
</tr>
<tr>
<td>➢ Through a suitable balance between theory and concrete projects make the most out of the invested time</td>
</tr>
<tr>
<td>➢ Develop individual leadership – the ability to release, direct and develop competence and commitment among co-workers</td>
</tr>
<tr>
<td>➢ Work with the company’s shared core values – open, knowledgeable, dynamic and Nordic</td>
</tr>
<tr>
<td>➢ Make visible a long-term and genuine competence development and by doing this, attract, develop and retain the best individuals in the business</td>
</tr>
</tbody>
</table>

Table 4. Objectives for the Cloetta Fazer Business Academy (2001).
During the first year, the managers developed a corporate identity based on four core values: open, knowledgeable, dynamic and Nordic. This new identity would be a 1) shared platform to 2) unite the group, in order to 3) meet the vision and 4) be a symbol for the new company. The meeting resulted in the mission: “To create fun and enjoyment”, and the vision: “Our vision is to further strengthen our position as the market leader in the Nordic confectionery industry. We shall act and be perceived as a forerunner that drives industry development. With the markets strongest portfolio we shall create added value to customers, consumers, employees and stock owners”.

In 2002 the management group had worked out a new strategic plan for the future, but they still needed to continue the development of one shared way of working in the company. The reason was the problematic discrepancy between idea and implementation: “On a principal level we developed shared ideas during the first years, but when it came to practice it was different world. The principles are much clearer than the practice (Finnish marketing manager 2003) “When we talk about overall goals and where we want to go on a long-term basis it is easy to reach agreement, but then one has different ideas about how to get there. You can see the difference in how one works and how one talks about it and what questions one talks about (Swedish IT manager 2003)”. Thus, the Business Academy went from being one of the integration projects to become a forum where the managers from all countries, representing all functions, would meet about three to four times a year to move from consensus to commitment. In other words, they were not satisfied with agreements about how to do things, consensus, but they preferred that managers thought in the same way and really felt committed emotionally to what was decided. “We compromise a lot and one shouldn’t do that. One should be tough and determined. I don’t like the idea of consensus. We only move the problems around by compromises and consensus. We don’t solve anything. I think we do things far too nice but if we really were committed to be in the same boat and work with the same things, then we should be able to face these issues as well.” (Finnish finance manager 2002).

Although people had differences of opinion, the Business Academy provided an arena for working with these differences and the meeting was characterized by the managers as providing an open climate for activities and reflection in a way that was not found in the everyday business.

Change of focus in the organization

In June 2002, due to retirement, there was a change of CEO. The new CEO, who had been in the company since before the merger, saw the Business Academy as a good way to continue the integration process in the management group and it was a forum where the coming shift from functional structure orientation to matrix structure and brand orientation could be communicated. During the first years, the
functional chart had been dominant due to the focus on showing results after the merger. Since results were calculated per country, the country managers needed to be in charge of their regional business in order to be able to control the outcome. But since they had achieved the synergies promised with the merger, the new CEO felt that it was time to take an overall perspective on the business and coordinate functions cross-border to be able to meet future challenges of supplier and customer concentrations on the Nordic market. This was the background to the idea of an organization with a shared culture and one shared mind-set. But not all the managers yearned to have one shared mind-set.

Manager: “In the Cloetta structure you have happiness and joy, and in Fazer you have another way of seeing things. Neither of them is wrong. What you could question is why you should force one to become the other? Why can’t you let cultures grow in each country? That’s one thing to think about because every time we meet in the Business Academy they say that we have to have a shared culture. I don’t think you need that. You need a shared way of working and shared perspectives but you don’t need a shared culture. I don’t think you can force a culture onto someone. It has to grow and from Cloetta and Fazer a new culture can grow but you can’t force people and that’s what we are trying to do, to force people. People that don’t want to meet are forced to meet. People that don’t want to work in a certain way are forced to work in that way.”

CB: “And what is it that is wanted in this new company?”

Manager: “Power. When things clash like this people are seeking power, and when they get it they can’t make decisions. If things are only done as a smokescreen and they don’t live up to the words that are spoken then you won’t see changes in the organization. It creates emptiness and people are wondering what’s going on.”

CB: “But what is said is neither from Cloetta or Fazer? It’s something new?”

Manager: “It’s something new but you can’t just get something new. You have to grow into it. You can’t force a culture on someone. If I don’t want to be forced I take a step back. Here we have two nice profitable companies, and they don’t feel the need for a makeover. Are we supposed to add a third or a fourth structure? And if so, should we create yet another new culture then? If we merge, can people expect to be forced into a Danish culture? People can’t just shift like that. So I don’t really know what they are after with this shared culture. Can’t they just accept that we are different and then use our ways of working in a more intelligent way?”
CB: “When you say ‘they’, do you mean the KL group?”

Manager: “Well, it’s hard to say. Is it the owners that say that they want a new culture or is it the management group that wants to create a new culture or is it someone who has made an analysis of ‘what do we really want to achieve with this’, and we don’t have that discussion. It’s just unspoken that we need a new culture and if someone asks ‘why?’ they are told ‘well, isn’t it obvious’. And I don’t think people in general understand why. And why we need to go in that direction. At the Business Academy we are looking at different issues but the first question is to answer what we are doing there. It’s great, a fun thing, nice and all that but what’s the point behind this meeting? The top managers give us some reasons and say that it’s because of this, but if I don’t believe them, then I’m only in it half-heartedly.”

The formal objectives for the meeting were intended to cover issues ranging from individual to organization level and constitute a starting-point for future growth. These objectives were backed up with ambitious programs and specialized consultants were hired to train the managers in certain fields. But despite this some managers felt cornered and insecure about the true purpose of the meeting.

About the three meetings in this study

At the three meetings that we will take a closer look at in this chapter, the themes for the meetings were strategy, leadership and businessmanship22. These three themes were considered to constitute a platform that would guide activities in the organization. The first meeting that I will describe, had the theme of businessmanship. This meeting was built around a business game, a simulation of running a business with the possibility to create a strategy and test different outcomes in a computer program. The second meeting had the theme of leadership. At this meeting the managers recaptured some of the things they had learned at the previous meeting and then they played an extended version of the business game, but this time, the soft sides of management received more emphasis. At this meeting, the participants also got a chance to engage in a discussion about leadership and culture. At the first two meetings, a consultancy firm provided and led the business game but the KL group was in charge of the meeting in whole. The last meeting, whose theme was strategy, had a quite different character than the other two. First of all, the number of managers attending the meeting had almost doubled due to the inclusion of the Polish management group. Secondly, the language was changed

22 The term “Businessmanship” is a direct translation of the Swedish word affärsmannaskap, a concept used to name an overall managerial perspective on the business. To increase “businessmanship”, is to increase the managers’ knowledge about the group and how they should think from a strategic point of view in order to contribute to the company in total.
from Swedish to English. Finally, the meeting had a more top-down structure compared to the other two that had a stronger group focus, and the main activity was the presentations made by the KL managers.

THE MEETING AS A DRAMA

The Business Academy can be described as a formal arena for integrative actions, which aimed to promote cultural integration within the group of managers. When analyzing and describing social interaction, one can benefit from concepts found in dramaturgical vocabulary. Hare and Blumberg (1988) show variations of sets of basic concepts, but I will use concepts on a general level in this chapter in order to enhance their metaphorical potential. There are two reasons that I have chosen these concepts. Firstly, I think that the dramaturgical perspective is suitable for describing a business meeting, since a meeting usually takes place in a delimited physical area and within this space, people act, based on their roles. Secondly, the concepts highlight aspects that are of importance for examining social interaction.

To start with, I would like to draw some parallels between what goes on at the meeting and some dramaturgical concepts. If we first look at the purpose of the Business Academy, the meeting was supposed to have a long-term effect on organizational integration as well as company development, and the themes at the academy were related to strategic issues. The constellation of managers in the academy was also unique, and the managers did not work together on a daily basis. Consultants and/or lecturers with different specialties had a leading role at the academy. Compared to the everyday business, the academy was clearly defined in time and space, and on this stage people entered in the role of managers.

Based on the above, there is a possibility to talk about the relationship between the self, the role and the drama, but since identity issues are not the focus of this thesis I will not elaborate upon these concepts although I understand that intrapersonal sensemaking is an important part of social construction. To use theoretical concepts from the dramaturgical perspective in a metaphorical way to describe social interaction allows a rich description of what I want to mediate about the meeting. Business life is, in my opinion, much like a drama, and one key may be found in the concept performance. On stage as well as in business performance is central. An individual in a managerial role spends much time on stage before an audience, inside the organization as well as in external relations. The manager might not be aware of this role at all times, but as soon as people take the role of the audience, the manager is placed on stage. One example could be that a manager might perceive informal meetings as being off stage, but in an organizational setting it is probably hard for people lower in the hierarchy to disregard the managerial role and separate this from the manager as an individual.
Another aspect of being on or off stage is the form of the script used. When a manager stands in front of the audience, the script for the meeting is often known since it is a formal situation. A script that is detailed in description is characteristic for a drama. Hare and Blumberg (1988) say that performance and behavior in a formal organization are guided by a script and in an organization, the idea of a script could be equaled to norms or ways of working. The difference is that organizational norms are not always written down, and sometimes not even known until you break the rules. At a meetings for example, most people had a general idea about what would happen, but there were no detailed descriptions handed out before the meetings. The lack of formal script could indicate that this is some kind of improvisation theatre, and for the Business Academy especially this is a good way to describe the activities at the meetings since there are many elements of training.

Within the drama (the Business Academy) I have described three acts (meetings). The act is a subdivision within the drama (Hare and Blumberg 1988). As an introduction, the characters in the play are introduced. Then three acts will follow: (1) playing games at the Manor of Ulghamra, (2) acting out at the Yasuragi, and (3) preaching a vision for the future. Each act consists of scenes in the play and this is followed by reviews consisting of the managers’ own feedback after the meeting.
THE CHARACTERS IN THE PLAY

The KL group:

CEO
HR manager
Finance manager

The Troika amongst the top managers

Marketing manager
Production manager
Manager for Finland
Manager for Poland
Manager for Sweden

In addition to the KL group the management team also consisted of five groups representing the five processes, in accordance with the organizational matrix: marketing, production, finance/IT, HR and sales.

The marketing group:

5 marketing managers (from Finland).

The production group:

14 production managers (7 from Finland, 7 from Sweden).
At the third meeting there were 21 production managers (8 from Finland, 6 from Sweden, 7 from Poland).

The finance and IT group:

4 finance and IT managers (2 from Finland, 2 from Sweden).
At the third meeting there were 12 finance and IT managers (4 from Finland, 6 from Sweden, 2 from Poland).

The HR group:

2 HR managers (1 from Finland, 1 from Sweden).
At the third meeting there were 4 HR managers (2 from Finland, 1 from Sweden, 1 from Poland).
The sales group:

8 sales managers (2 from Finland, 6 from Sweden).
At the third meeting there were 13 sales managers (4 from Finland, 7 from Sweden, 2 from Poland).

Some characters attending the meeting who were not part of the management team:

Consultants:

During the first two meetings, consultants worked at the meeting.

The executive secretary:

At the second and third meeting the executive secretary participated.

Researcher:

The researcher had the role of observer at the meetings.
Act I: Playing Games at the Manor of Ulghamra
THE BUSINESS ACADEMY MEETING AT SKYTTEHOLM

It is still dark outside when I arrive at the exclusive conference center even though it is almost lunchtime. The lake and the trees are various shades of November grey and the air is crisp outside the serene manor. I step in to the big mansion and join the people gathering in the restaurant. The participants are dressed in dark colors, jackets for the people working in marketing, HR or finance, and pullovers for the production and IT people. I feel different in my checked suit and a light blue scarf, but I am not the only odd bird since two of the female managers have chosen to wear red jackets. Anyway, I take my coffee and sit down at a table. The tables are starting to fill up as the about 40 managers arrive, and most of us sit in silence with our coffee. Some of the managers look almost nervous with eyes wandering around the room, catching quick glimpses of the other participants. The crowd is filled with anticipation, awaiting the signal for the show to start.

The Business Academy meeting on the 25th and 26th of November 2002 was the second meeting after the change of CEO in May 2002. The new CEO for the KL group had worked together with the retiring CEO since the merger as to maintain a continuum in the process. During the first two years after the merger, the organization had two different organizational charts, one legal functional chart organized according to areas of responsibility and one matrix chart organized to make the countries work together in four main processes. During the first two years, there had been a strong focus on achieving results, which in practice meant that each country’s manager had the authority to control the business. Apart from the objective of working towards integration in the management group, for the new CEO there was an additional aim of the academy and that was to bring about a shift from the heavy focus on the country organizations as profit centers, and emphasize the necessity to see the process teams as a foundation for future strategic development. The idea was that by working more efficiently with centralized functions, it would be easier to create a common way of working in the company and this would provide some additional synergies to the cost synergies already achieved. In addition, this set-up was a way to prepare for bringing additional organizations into the company in case of future mergers and acquisitions.

23 The conference center was situated in beautiful surroundings, and both the park and the manor had a noble history, something that was emphasized on their website: “King Gustav II Adolf appreciated his tutor so much that he presented him with the divine Ulghamra. Here the baron, who was also promoted to state council, built a modest wooden building, Skytteholm, which is today preserved as part of the larger manor house.” (www.skytteholm.se, 27 February 2006, author’s translation). Skytteholm is a unit within the Fazer Konferens Group (www.fazerkonferens.se).
Educational activities at the academy could be one way to bring about changes in the management group as well as in the organization, and when the management group met early in the morning at the conference centre west of Stockholm for the Business Academy meeting, the aim was to coordinate and develop managerial skills, what they called businessmanship. The practical assignment that they would work with during the two days was to learn more about the balanced scorecard\textsuperscript{24} by playing a business game (a business simulation in the form of a game). Before the meeting, the participants had received a large file with information about the business game that was going to take place during the two days so that they could arrive at the meeting prepared. Needless to say, most managers had not had time for extensive studies before the meeting.

The two days were tightly scheduled (see table 5). The business game was played in three rounds, and in addition to playing the game there was an educational session, called \textit{Knowledge and learning} after each round and this was followed by a feedback session.

<table>
<thead>
<tr>
<th>Monday November 25</th>
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<tbody>
<tr>
<td>11.00 Introduction to the program</td>
</tr>
<tr>
<td>12.30 Strategy work (part of the game)</td>
</tr>
<tr>
<td>13.30 Lunch</td>
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<tr>
<td>14.30 Introduction of the PC-tool</td>
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<tr>
<td>14.45 Pause</td>
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<tr>
<td>17.15 Financial year 1</td>
</tr>
<tr>
<td>18.30 Knowledge and learning 1</td>
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<tr>
<td>19.45 Dinner</td>
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<tr>
<td>20.45 Feedback year 1</td>
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<tr>
<td>21.00 Summary of day 1</td>
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<table>
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<tr>
<th>Tuesday November 26</th>
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<tbody>
<tr>
<td>8.30 Financial year 2</td>
</tr>
<tr>
<td>10.30 Knowledge and learning 2</td>
</tr>
<tr>
<td>11.30 Lunch</td>
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<tr>
<td>12.30 Feedback year 2</td>
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<tr>
<td>13.30 Financial year 3 (incl. coffee)</td>
</tr>
<tr>
<td>15.30 Group work and homework</td>
</tr>
<tr>
<td>16.45 Snack</td>
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<tr>
<td>17.00 Feedback year 3</td>
</tr>
<tr>
<td>18.00 Summary and finishing off the seminar</td>
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<tr>
<td>18.30 Meeting ends</td>
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</tbody>
</table>

Table 5. Schedule for the Business Academy in November 2002.

\textsuperscript{24} The balanced scorecard is a management system based on the philosophy that if a company wants to continue developing on a long-term basis, they can not only look at financial results (e.g. Kaplan & Norton 1992).
At eleven o’clock the participants were gathered in the large conference room, about forty managers, five consultants and me. Out of the forty managers, there were seven that had never participated in a Business Academy meeting before. These seven managers were either replacing retired people or participated as a consequence of organizational restructuring. It was the first time this consultancy firm was working with the group, and it was the first time I observed the Business Academy. Thus, the group constellation as such was new, but there was nevertheless a relaxed atmosphere in the room. The participants were seated at small round tables, and the people at each table were a mix of people from different functions in the company, from different countries and from different organizational levels. The meeting started with an introduction by the HR Manager from KL, who was in charge of arranging the Business Academy meetings. Then the game started. Each table with four people represented a team in the game, and the first thing that the teams were assigned to do, was to work out a strategy that they would use as a starting-point in the game.

After lunch the consultants, a mix of people from Sweden and Finland, introduced the PC tool that would be used to play the business game. The managers would play the game for three rounds that were called years in the game, since they represented a financial year in a company. During the years in the game, the teams got up and went to sit in separate workrooms, while the Knowledge and learning session was held in the large conference room with all ten teams present, and during the feedback session, a mobile wall divided the large conference room and two parallel sessions were held on each side. Time flew by during the two days and the focus was on the game all the time. As each year went by, the managers seemed to build up tension and even those that did not display an evident competitive attitude had a strong focus on the game and the issues dealt with. When I strolled in the conference building during the last year of the game, the doors that had been open the day before were closed so that the teams could keep their strategic moves to themselves. The conference ended with a grand finale when the results were presented and one team on each market was named the winner and received a prize. This was all fun, but what does it mean from an integration point of view to name winners and (unspoken) losers within a group like this? Maybe we can understand this by taking a closer look at how the game was played?

TO PLAY THE BUSINESS GAME

The teams

When it was time to play the game, the large conference room was divided in two halves that were called Red market and Blue market, and in each room there were five teams. The first thing the teams had to do was to create a name for their company. The names chosen for the teams on the Blue market were quite similar:
AB Chocomell (a combination of the word chocolate and karamell, the Swedish word for sweets), Sweet Quality, Spontan AB (Eng. Spontaneous), Goody AB and Chocosweet. On the Red market the names were more diverse: Hajc AB, AB Roulette, GOL, De Bästa (Eng. the best) and Oy Konfetta Ab (Oy and AB are Finnish and Swedish for Inc.). The decisions to be made in the game concerned all the areas within a company and before they started with the first year they had some time to create a vision, set a strategy, and work out an action plan with measurements that would be used in the follow-up session. From the beginning they all had the same market share, 20 %, and the aim was to find a unique market position and from that make a forecast for sales that would give input to production. If they chose the right actions, this would render high scores for the team. Before they started, the consultant gave them some advice on strategic work concerning for example the value chain, the SWOT analysis and they also gave a brief summary of the balanced scorecard.

**What is the game about?**

The teams started with a strategic planning process for the fictive company in the game, and it seemed as if one important part of strategy formulation was to find a strategy for winning the game. In one of the teams on the Blue market the managers tried to make sense of the situation by referring to previous experience of similar games, and based on this they could figure out how to play the game.

- “I think we should concentrate on the finance things, (adding ironically) this is coming from me as a marketing person, (returning to the argumentation) because my experience from previous games is that you get more payoffs for that.” say a Swedish sales manager.
- “Mm, we should not take the loans offered but I think that you get payoff on what you can afford (if you spend the money available in the company). More than in real life.” answers a Swedish finance manager.

By referring to the difference between the game and real life, the managers talked about the situation as an onstage situation, but then the question became how the play should be performed. The game was an imitation of real life, but it was not exactly the same and the differences had to be taken into account. By referring to other games, and not to everyday business, the managers figured out that one possible rule of the game was that you get a big reward if you invest the money. To spend money was a question that had been an issue for Cloetta Fazer in everyday business as well, and market actors had criticized them by for the high solvency in the company.

One of the team members, who had been busy talking to one of the consultants, entered the conversation and tried to bring the discussion back to the formal
strategic work in the game. There was a suggestion that they should go for building brands instead of working with the pick and mix assortment.

- “Will we reach market leadership then?” the Swedish production Manager asks.
- “You heard what they said (referring to another team on the Blue market). What was the name of their company? (it was Goody) They are going for the Goody brand I think. I don’t think that they were so cunning that they made a conscious choice (of the team name) and then go for another strategy. Instead I think they are trying to make room for their group to run this race (to go for the Nordic brand Goody). That was their tactic. We were supposed to be scared away from that road as I heard it. That was how they reasoned I think, but they can forget about that”, says the Finnish Production Manager.

Since the competing team’s name and the brand in the game were the same, Goody, the production manager interpreted this as a signal as to what kind of strategy they would use and also, that by stating the name out loud they wanted others to know what they were going to do in order to protect their space. Thus, the name was an indication of their strategy. However, the production manager would not back down if that was what the other team wanted: “forget that”. According to the production manager, the other team used the brand name as a signal as to how they would play the game, and also as a way to scare off competitors. They did this by openly stating their strategy as a way to show that they owned the script. If the interpretation about the choice of strategy that the production manager made was in line with the intentions of the other team did not really matter, because it was acted upon as if it was real. They constructed their strategy in relation to the choices made by the other group.

The production manager had also given the team Goody the role of their main competitor since they would play on the same arena. But why did the production manager make such a detailed analysis of the team Goody’s name? One reason could be to search for the explanation offstage, in everyday business relations. The game then gets an arena to play out unsolved issues between people. I also believe that more or less detailed interpretations of others are a natural part of making sense of what is going on. During interaction, meaning is ascribed to the actions of others, and people probably use different strategies for sensemaking. The production manager’s strategy was to not accept the rules that were believed to be revealed by the action of others. My interpretation of this is that to play the game according to strategy theory is the official plot but the real intrigue in the play concerns the tactics for how to win the game. In other words, strategy theory is one frame, and based on the norm system in this frame, a script for the play at hand is developed. However, this script is unspoken, and probably not yet fully developed, and what is left to show after the strategy session is the formal strategy formulation for the fictive company that will guide the team during the years in the business game.
The teams set off

The teams all received a PC with a budgetary tool, and on the PC they could find information about the market, the properties of the company in the game and so on. The fictive company in the game had a great resemblance to Cloetta Fazer’s business. The company in the game was more than a hundred year old and was a result of a merger between two family businesses. It was situated on the Nordic market, had one Nordic brand called Goody, ten local brands and one new product, Funky, ready to be launched. In addition to this, the company provided pick and mix candy and private labels. The consultant comments on this by saying that “There are some similarities with your own business but it’s not an exact copy”, but still the resemblance between the case company and Cloetta Fazer was obvious. The managers received an introduction to the PC tool, but when it came to details the managers sometimes did not understand the set up of the game. They were free to ask the consultants about details in the game, but it seemed as if they preferred to solve the problems within the teams. In the following example, the team discussed how to define a number they encountered in the game.

- “So we have 45 out of 75 in use?” asks the Finnish marketing manager.
- “That’s how one thinks of capacity in production.” says the Swedish production manager.
- “And this is it?” asks the Finnish HR Manager.
- “This is how much we have got, 75 (points to the screen and everyone watches the numbers in deep concentration), and this is the 45 that we are using but we have 30 left, and that divided by that is 66, and that number is really not interesting.” says the Swedish production manager.
- “That’s stupid.” says the Finnish HR Manager.
- “Yes, because we should be counting 45 …” starts the Finnish marketing manager.
- “… Through 75.” finishes the Swedish production manager.
- “That’s how one should count.” says the Finnish HR Manager.
- “Yes, and that’s 60 %.” says the Swedish production manager.
- “Well, what do you know? That’s wrong.” says the Finnish HR Manager.
- “It’s, you know, I have …” starts the Swedish production manager.
- “It’s not a miscalculation, but just another way of looking at it.” says the Finnish marketing manager.
- “Another number, yes.” says the Finnish finance manager.
- “A crazy definition.” says the Swedish production manager.
- “Yes.” says the Finnish finance manager.
- “Yes, because normally you look at utilization of capacity, draw a line at 80 or 90 or 100 that you use as a balance.” says the Swedish production manager.
- “But it doesn’t matter, just as long as we know how we look at it.” says the Finnish marketing manager.
- “Yes, that’s true.” says the Finance Manager.
- “Yes.” says the Swedish production manager.
- “Good.” says the Finnish marketing manager.

This is an example of when the team members are making sense of a situation characterized by uncertainty. When they looked at the screen some of the numbers appeared illogical, which was commented upon by the HR manager: “That’s stupid”, but the other team members had found the premises for the calculation in the set up for the game. Thus, the logic in the number was found within the rules of the game, and even though the managers dismissed the number as such, and even though they would have calculated it in another way “in reality”, the number could be accepted since they understood the underlying assumptions. The production manager called it “a crazy definition” and it was compared to the “normal” way of working. The marketing manager went on to say that is did not really matter “as long as we know how we look at it”. In this way the group created meaning by including what was deviant into the frame of normality. Still, even though the frame of normality was changed, the team knew that the numbers were wrong according to their first definition, but within the present frame they accepted that normality is changed. This also involved defining a shared concept for the language used in the script, and by doing this the team members united in order to continue playing the game. This particular team was very much concerned with the calculations in the game and later on the group encountered another problem concerning the numbers.

- “Hey, hang on, what’s that? What’s that in percent?” asks the Finnish HR manager.
- “That’s 10 %. If you add 131 to that you get exactly 144.” explains the Swedish production manager.
- “It’s supposed to be like that.” says the Finnish marketing manager.
- “It must be like that, yes.” says the Finnish finance manager.
- “This means that there is no built-in decrease in volumes if you raise the price.” states the Swedish production manager.
- “No, there isn’t.” says the Finnish HR Manager.
- “That’s tricky.” says the Swedish production manager.

They fell silent while they entered the numbers into the PC, and then one of the managers they came to the following conclusion based on the numbers:

- “It’s obvious what one should do. One should increase the price (laughs). That’s probably the message. Is there something that I missed (an ironic statement since the message seems so obvious and everyone in the group laughs).”

The team figured out a rule of the game, increased prices did not affect the volumes, and based on this it was “obvious what one should do”. This conclusion was later followed by a move to increase the prices when the team worked with the
positioning of brands in the game. In the interviews I made with people they talked a lot about decision making as a problematic area but here it was quite easy for the group to reach an agreement because they understood the rules of the game. In this particular group they continued to reach agreement within the frame of the game.

- “What did it say about traditional and secure? It was on page 22-23.” says the Finnish marketing manager.
- “But if we want to increase the price we should move that way. Not that one. Traditional and secure, tradition and good quality. The product is used as a gift. That should mean high volumes.” says the Swedish production manager.
- “Then B2 (a brand position in the game) tempts me a lot, to go for both, not go to the extreme.” says the Finnish marketing manager.
- “I’m inclined to agree that we should place it there and then raise the price.” says the Swedish production manager.
- “Exactly.” says the Finnish marketing Manager.

The question about pricing appears in other groups as well. In the following example there was one manager that wanted to work in a different way and not focus so much on price since the price was not that important, but the other team members did not listen to this suggestion.

- “But the prices will never hold.” says the sales manager.
- “Yes, they will.” says the R&D manager.
- “We have the lowest price on the market you know.” says the sales manager.
- “The local one.” says the marketing manager.
- “We have reasonable marketing efforts and a nice price so we should be able to …” starts the R&D Manager.
- “Let’s increase by some percent because it shows in the result.” says the marketing manager.
- “The price was not that important (for the consumer). We can raise the price a little because you don’t create market share by the price.” says the production manager.
- “No, but you get a lot of money to spend on marketing.” says the sales manager.
- “To take measures (according to the game instructions distributed before the meeting) is much more important than the prices.” tries the production manager but get no response to the suggestion.

What was suggested in the written instructions, “to take measures”, seemed to be less important than to conform to the interpretations made in the team of the rules of the game, “to raise the price”. Maybe the preference for price setting as a guiding principle can be explained by different levels in language: price and result are expressed in numbers while the game instructions are expressed in words. In the case of price therefore the language of numbers would have precedence over
the language of words. This separation of numbers and words is only used to explain a possible hierarchy and not to say that they are different languages. When it comes to the process of negotiating the script for the play, the idea of the hierarchical aspect of language could be used to influence the outcome. The language of numbers may be superior due to its specificity, but this is also the weakness in the language. While the language of words can be used metaphorically, which gives space for interpretation and choice of action, the language of numbers is often used in relation to a specific object. One example is the object time in the game that restricts the actions taken based on the desire to show a numerical performance. The team had a discussion about whether they should have closed a product line in one of the factories during year 2, but they agreed that it was too late to take such measures since it took too long to see the results of this action in the game.

- “The time for readjustment is too long. I don’t think we should do this. If we had done it, it would have been during the first year. Now it’s too late.” says the R&D Manager.
- “Yes, there is no time to wait for the result.” says the sales manager.
- “It’s too late.” says the production manager.
- “Our strategy has to be to fill these factories (instead) I’m afraid.” says the sales manager.

When it comes to acting, the problem is to do what is right within the frames set by the specific game. The managers knew that to close a factory would have rendered long-term profits but since they did not make this move during the first year there was no time to wait for long-term effects since the game only consisted of three years. One could argue that this is done only because the managers know that this is a game, with no real influence on the business, but my suggestion it that it is possible to explain business behavior based on the same assumption. In everyday business, there will be frames, maybe not the same as in the game, but nevertheless frames of some kind, and within these frames, action will take place. One example concerns the expectations from the stock market, which could have a similar effect on behavior in everyday business. The managers would then relate to ideas about what the market would be expecting in reports from the company, and this could influence managerial behavior. I would like to emphasize that this should be separated from behavior evaluation. The behavior of managers within the frames can have a positive or negative value, but my purpose is to understand the influence of frames and how frames are set. In the example above, it was too late to change the strategy if the team wanted to influence the situation in the game and they settled for an alternative strategy based on the situation at hand. The goal at this point was to win the game and not to learn from the actions taken, since if the latter were the goal it would not really matter what they did since all actions would be an opportunity to see effects and to learn.
When it was time for the third and final year, the competitive climate had hardened. Doors to the workrooms, that previously were open, had been closed so that no information would leak out to the competitors and the voices in the workrooms had turned into whispers. The teams were very concentrated on winning the game and new game tactics appeared.

- “I have an idea for the game.” says one of the marketing managers.

The others ceased talking and watched the marketing manager with interest.

- “I don’t know if you had the same thought, but one thing about the pick and mix was that it seems as if the price controls (sales) very, very much. One thing that we could do this last year is to run all the previous strategies. Then, on the pick and mix we lower the price significantly and then boost the volume to cover the capacity surplus that we have and just fill up the factories totally. I think there’s a lot of money in that. It is a long shot but it could take us from runner-up to winner.” says the marketing manager.
- “But we have to be careful that we don’t lose markets.” says the production manager.
- “Exactly.” says the marketing manager.

It turns out that the marketing manager had talked to the consultants about the prices during a pause, and the consultant had disclosed that the price, in contrast to what was presumed in the other groups earlier, was supposed to be on a low level.

- “Yeah, that’s right. I talked to the consultant about the last slide that was shown and this assumption about the price, that lowest price equals the best price, that's correct. The lower the price, the higher the score in the game.”

After receiving inside information about the price, one would think that the team would make a change in their strategy for the last year, but instead the team continued with the old strategy.

- “Now the question is, do we want to continue to go for higher market shares?” asks the production manager.
- “Let’s have a general discussion about Goody before we enter any numbers.” says the marketing manager.
- “What does it say there? If we look at that one first. We have said that we are going to be market leaders.” says the sales manager.
- “Where?” asks the marketing manager.
- “In our strategy.” says the sales manager.
- “Yes, I brought that (the strategy paper is folded between some other papers). Let’s look mainly at the measurements. We have said that we are going to be market leader on products that give pleasure and profitability.” says the marketing manager.
- “… by superior support from customers and consumers.” says the production manager.
- “Consumers, it was consumers that we missed the first year. We say nothing about being price leaders or anything like that, or to have low prices.” says the marketing manager.
- “We don’t want to change the positioning, do we?” asks the production manager.
- “No. Let’s milk the existing market and we’ll have a huge boost from the marketing towards the stores.” says the marketing manager.

The team struggle with their interpretation of the game based on different inputs. They have the insider information from the consultant, they have their own strategy and they have the set-up in the game. The consultant had revealed that “the lowest price equals the best price”, and based on the output of the game during years one and two, they found out that they had missed paying attention to the consumers. In the end, the team stays with the strategy they worked out at the beginning of the game. In this case, they could not calculate the outcome, but had to guess what they should do based on different possibilities for action.

Above, I talked about a hierarchy within a language, and this could be an example of another hierarchy: the written word has precedence over the spoken word. The strategy for the fictive company was written down in a document compared to the verbal statement from the consultant. If the interpretation of the game had gone against the strategy, maybe the team would have chosen to act on their agreement, because as we have seen earlier the rules agreed on in the team seemed to have a strong impact on the action. Now the rule for how to behave was in line with the strategy, which probably gave the team a feeling of security. Although rules of the games and strategy were in line with each other they were both created by the team, and it was neither a guarantee for performing well according to what was rewarded in the game, nor was it an indication that they had learned something from the game. On the other hand, it could be in line with the message communicated to the teams during knowledge and learning sessions and in the feedback that followed these sessions. Let us take a look at these aspects of the game, starting with the knowledge and learning sessions.

**KNOWLEDGE AND LEARNING: A LESSON IN BUSINESS LANGUAGE**

After playing the game for one year, the whole group gathered in the large conference room to listen to one of the consultants in a *Knowledge and learning* session. The consultant started by asking the managers if they had read Cloetta Fazer’s annual report. Some participants hesitantly raised their arms. Then the consultant asked how many had not read it and this time nobody raised his or her
arms. The chatty consultant stood in contrast to the tense and quiet audience. One possible reason to explain why the managers did not fall in with the easygoing style of the consultant could be that they were still trying to define the situation in order to find an appropriate way to act. If the managers defined the situation as a test of professional skills, they would probably answer in another way than if they defined it as a group discussion about areas for improvement.

Another obstacle to overcome was for the managers to get up on stage. When they came to the conference room, they sat down in the auditorium, but by using questions the consultant shifted the onstage-offstage limits. From sitting in the auditorium, the managers were asked to step on stage and perform by answering the questions. This shift could be especially uncomfortable if the managers did not know what play they were supposed to be acting in. The invitation from the consultant acknowledged the audience but the same time it could be interpreted as a stylistic feature: the consultant, as a stand up comedian, was asking the audience questions, but not to find out what they really had to say, but to make a point. After some small talk about business, the consultant told a story:

- “I come to think of an anecdote before we start with the feedback, and just like in your case, there was a new CEO that came to a company. He was very insecure of the state of the company so he thought: ‘I wonder what I should do?’ The CEO decided to go down to the shop floor and ask the different managers how the company was doing. First he went to the production manager and asked: ‘Well, could you tell me what 2 plus 2 really is?’ The production manager was a very orderly person and calculated this, 2,000 plus 2,000 and got it to 4,000. The CEO thought that was great but he thought: ‘Is it that simple?’ so he went on to ask the marketing manager the same question: ‘What is 2 plus 2?’ The marketing manager answered right away: ‘5’. ‘5?’ said the CEO. ‘Well, you know, with some marketing and some synergies it will be 5’, said the marketing manager. This made the CEO very confused so he thought to himself that there is only one person I can really trust, and that’s the controller. He walked to the controller and asked the same question. The controller grabs him by the arm and pulls him into the room, closes the door and whispers: ‘What do you want it to be?’.”

Everybody followed the story in great concentration and the unraveling of the punch line at the end of the story made the group laugh. The difference between this act and the previous one when the same consultant asked the question about how many had read the report was that this story was not directly about Cloetta Fazer, but the problems with working with different perspectives was an issue that the managers recognized based on their experiences with working in integrated groups. The anecdote also brought some comic relief. The managers could laugh at the story, something that probably took the edge of the subject. A funny comment like this could be a way to get the distance needed to ease the tension on a sensitive
subject, but on the other hand a funny comment could also be a way to distance oneself from taking a question seriously. Yet another interpretation of the story could be that this story tells the listener who really knows the truth about the company: the controller. The controller knows that there is not one answer and at the same time the controller, like a genie in a bottle, also has the power to create a desired reality by asking: “What do you want it to be?” In the story about the company, the controller is not the lead character (the CEO is) but the character that supports the leading actor’s performance. The production and marketing manager are simple humans with simple solutions, and they are referred to as he, but the controller is called “the controller” all the time. The controller is it, not a he or a she. A swift move from this speculative interpretation to the other end of the interpretative spectrum: the funny story could just be a break to introduce the following business lesson in an entertaining way. Why make interpretations that are so far apart? Well, probably the managers interpret what is going on in many different ways, and these interpretations are then acted upon. To show more than one interpretation is for me a way to show awareness about these possibilities and even if I wanted to, I could probably not cover all the possible interpretations made by the managers.

The group then got a lesson in business when concepts such as balance sheet, income statement and cash flow analysis were presented. The participants were all more or less familiar with the concepts but the consultants wanted to make sure that they had an understanding of the concepts by asking questions like: “What is an income statement really? Why do we have one?” Since the group was a mix of people with different functional backgrounds, people experienced the lesson very differently. For the managers from the finance department this lecture was just a brief introduction with nothing new, while for some managers in production this was a totally new area. In the session between the second and third year, the consultants talked about intangible assets. Then one of the finance managers got up and accounted for some measurements in the balanced scorecard that could be used to set up a scorecard in the company. For example, from a marketing perspective the company could consider measurements like market share, degree of service, availability and profitability per customer. At the end of the presentation the groups were told that they should take part in the process of establishing a scorecard for the organization.

- “We will take this material home and in smaller groups, in our process and in our organization, think about how one can make these measurements tangible, and also how to go deeper into the organization. These are measurements at an overall level that can be hard for people on a lower level in the organization to grasp. We’ll get back to this at the end of the day. This was a short summary to show you that we’ve started but we’re in a very early stage of the process of launching a balanced scorecard.”
All in all, the Knowledge and learning session was about introducing a business vocabulary and to make sure that the managers shared an understanding of what the concepts meant. In other words, it was a lesson in how to talk business.

REHEARSING FOR THE NEXT PRODUCTION

If Knowledge and learning was a lecture in the language of business, the feedback session that followed had the character of a seminar where this language was tried out in relation to a case. When it was time for feedback on the game, the conference room were divided into the two markets. Firstly, some mistakes made by the teams were presented in the news format, called news from the Internet. One example of news was that the consultant said that there were rumors on the Internet that one of the teams was to be honorary members of a bank, since despite high liquidity they had kept their loans which gave the company additional interest charges of 18 millions SEK. This comment was made in a fun way and the teams laughed but at the same time this ironic remark pointed to the incorrect decision the team had made about keeping the loans since this gave them financial costs that they could have avoided.

Some similar headlines were presented and after that, the participants got to comment on what they experienced as difficult in the game. Two problem areas that the teams mentioned were the lack of information for decision making and the problems concerning how to use the PC tool. The consultant’s answer was that things would be easier during year 2 when they would see trends on the market and would be able to interpret the competitors’ strategic directions. From an interactionist point of view, this is more likely to be an approximation of everyday business since people are viewed as free to make choices and these choices are made after interpreting significant objects, such as competitors’ actions. For a company, the market and the actors on this market is one of many significant objects and thus, the input from other actors on a market constitutes part of the frame within which the company acts.

Even though there was some general feedback with the purpose of improving business knowledge, the feedback had a strong focus on game results. The results were presented as the teams’ placement in the league. The teams were introduced on a score board, starting with the team in fifth place. In addition to place, the points for each focus in the Balanced Scorecard were displayed. When the team results were revealed, the emphasis was on the placement in the league and not on the causes behind the scores. This meant that the participants could not learn from each others’ mistakes, apart from the mistakes previously mentioned in a general way in the news. The competitive aspect of the game was obvious and for some participants it became more important to win the game than to learn about the Balance Scorecard or the language of business. On the other hand, it was a pre-
requisite to know the business language in order to play the game well. Some of the managers in the group looked quite uncomfortable when the competitive side of business was so openly displayed, while others brightened up when the play turned into a game. As I see it, the competitive side of interaction is important to understand what is going on, or rather, to understand a business act one must look at the role of competition in interaction.

THE SCORECARD IS THE SOLUTION: WHAT IS THE PROBLEM?

After the third year had ended, all the groups gathered in the large room and it was time for something called group work. This was not a part of the Balanced Scorecard simulation, but the idea was that managers were to get involved in establishing a scorecard for the organization and as an input to this they were to listen to one of the KL Managers that addressed some of the problems and possibilities with the matrix organization:

- “The solution to the conflicts in a matrix organization is about improving cooperation. And I think one must have a common mind-set for questions concerning what we do. If one looks in one dimension, if the people responsible for the Finnish or the Swedish or the Polish (organizations) are locked in their positions and try to optimize the (country) results and never open up to this kind of reasoning (points to the processes drawn on the white board), then we have a problem. We have to find a solution to that. In my opinion, this is possible through increased cooperation and increased unity of the mind-set concerning what is held in common. That’s at least how I see the exercises today and a conclusion I draw from these days. Conflicts appear, and they should. That’s the point with this organization. If one dimension (country) is working with results, and the other (project) wants to introduce Dumle Snack to improve the strength of the brand, then we have a conflict. You probably don’t solve that by deciding who is in charge, who has the power. I think you solve these kinds of questions by having a common mind-set for what we want to achieve. As we saw in these teams it’s about good results and increased brand awareness.”

In this speech, the shared mind-set was presented as a solution to the problems. It was suggested that the shared mind-set was based on two goals: good results and increased brand awareness. Then the audience was requested to find a way to get to a mind-set where these two aspects were central. The KL manager continued:

- “You should think about how we can achieve this mind-set and the cooperation. When it comes to mind-set I think we have to define our goals. If we all agree on all our goals, we should find a way to unite and get a
shared mind-set. And when it comes to cooperation in different management
groups where people with different specializations and professions take part,
I think it’s about defining the decision forums where questions are discussed
and decisions are made. To find a format for these decision forums can be
one step towards a united mind-set and improved cooperation and control all
these dimensions at the same time. I think we have some work to do with
that, to learn about these forums and to find the agendas for the meetings on
different levels. The ones that have done this best so far is the marketing
department with their RRM-meetings where they have an agenda and an
explicit way of working at the meetings. That’s the main thing when it
comes to mind-set, cooperation. Cooperation can maybe be better if the
decision forums are clarified. The shared mind-set can become better by
defining goals, and we have talked about that and we talked about some
measurements that we want to follow up and we do that to see if we can
reach our goals. And then the question is: do you know what the goals are?”

This was a rhetorical question and the manager then continued with a description of
goals and measurements, starting with financial goals because “those are easiest”. The example for a financial goal was the 12 % goal set for gross margin percent-
age, and the manager explained that margin is the measurement and that 12 % is
the goal. Here the audience is reminded of what should be a shared mind-set shared
for financial performance. Then the margin is divided into possible subcategories,
such as margin per market, margin per brand, etc. Then goals and measurements
for production (e.g. efficiency), market and sales (e.g. market share and customer
satisfaction) and HR (e.g. leadership and leadership development) are mentioned.
The examples were written on the whiteboard and during the detailed descriptions
of the goals the words and/or numbers on the whiteboard were used as a reference point, indicated by finger pointing. The KL manager also mentioned the game as a reference:

- “We saw in the teams today that customer focus was something we should
have. That was important. We got some measurements, like degree of
service and profitability per customer. Here we haven’t defined what our
goal should be. What should our profitability per customer be?”

Then an additional series of examples of the same kind was mentioned, and the people in the room started to get restless. They browsed through some papers or
turned in their chairs, but the manager continued, “should sales be up from 51 % to
52 % or what?” Then the speech was brought to an end by returning to talking
about conflicts in the organization once again. Basically, the message was that
conflicts were good and a natural part of working in a large organization, and the
solution was repeated: conflicts could be solved if the management group could
create a shared mind-set and this could be done through shared goals and in
addition to this, an explicit decision process could facilitate cooperation. The
people in the management group were then encouraged to critically evaluate the
measurements from their point of view, and to involve people in their respective organizations in this work as well.

This speech addressed one of the problems that had appeared during the post-merger integration process, the division of authority and responsibility, but in the speech, this issue of power was redefined as an issue concerning problems with cooperation and this was due to people not sharing the same mind-set. A solution was presented and that was to have clearly defined goals and to work in highly structured decision forums. Even though the manager made some references to the game, and thus indirectly to the scorecard, I later found out that this manager was critical to the idea of introducing a scorecard.

- “It’s one of our main tasks, to solve that (problems within the organization). Then we make it easy. We say that we have heard about this balanced scorecard, that there are some reasonable gentlemen that have thought about this and it will certainly solve all our problems and then we throw it in the organization’s lap and say ‘balanced scorecard’ with sparkling eyes, and then we ask them to tell us what measurements within these perspectives that they think are important for the business. I’m exaggerating a bit but it’s not that simple. It’s much harder than that. It’s about coming together in a small group and deciding how we want to run this company, how we want to work with the goals and then sell an idea to this group, to tell them that this is what we want to do and it should lead to these consequences. Then if we call it a balanced scorecard or not, that doesn’t matter but this is a classic mistake. You take a fancy word and dress it in some nice background theory and then you throw it in the organizations lap instead of selling an idea so to say.” (KL manager 2003)

To maintain a neutral attitude at the Business Academy could be seen as a way to act in a professional way at the meeting. This was done by accepting and acting in the role of a KL manager and not trying to reveal an individual statement. And if one takes a closer look, the manager is keeping a distance to the scorecard by not mentioning it in the speech, and the speech still feels like it is in line with the scorecard theme. The critique in the quote above shows a divergence within the KL group that did not show at the meeting, but in the long run it will be hard to keep a split within a management group hidden from the lower levels of the organization. As input in the organizational action, such a matter can have bearing on the actions taken among employees.

After this speech, the project groups got some time to talk to each other and to start the work with the scorecard. At five o’clock the final feedback started with the consultants asking the teams what they had learned during the two days. Some comments were made concerning the benefit of learning about business concepts and the relationship between them. Others mentioned the way of working as an important aspect of the game, giving examples such as the dialogue they had when
formulating the strategy as well as during feedback after they had taken action in the game. The idea of thinking in overall terms and striving for a balance within the company was also mentioned. After getting feedback from the participants the final score in the league was revealed. Everybody was gathered in the large conference room and the consultants stood on both sides of the room by the whiteboards. They took turn in presenting the place of the teams in each league. As was the case before, there was not much talk about why the teams ended up in the positions that they did, but instead the consultants built up the tension around the ranking list and the excitement to see who won.

AND THE WINNER IS …

The teams Goody AB and Haja AB won on their respective markets. The winning teams got to stand up in the middle of the room and the participants each received a bottle of champagne. It turned out that the KL members that had worked together with the consultants to create the game were in each of the winning teams. After the meeting comments were made about this. One was that “I think the teams that won the game ruled, they were incredible but they are our financial managers so that’s why”. This quote showed a strong admiration for the managers since their victory was interpreted as an expression of their professional know-how, and the winning managers were made heroes in the play. There were also other comments that had a more cynical tone, “Of course they won and the game was just a way for KL to show how they want people to act in the company”. This turned the heroes into villains, who only wanted to control the good people in the company, and the game had revealed their evil plans. Another way of dealing with the game was to diminish its meaning, and the game was defined as a game, and nothing else. “Well, it’s a game, and in retrospect we knew how we would have acted, but in real life maybe you won’t know it anyway but the ones that did it according to the rules of the game scored. And the two that won were the ones that had taken part in the set-up of the game (laughs as if to show that their victory was expected).” Whether the description was about a fair game with worthy winners or the game as a shrewd way to control the people in the company, the notion that there were rules to the game in a broad sense seemed to be a rooted assumption among the managers. An interesting aspect was that the KL managers actually tried to involve the next level managers in the setting of the rules during the two days, but this did not seem to be perceived by the people attending the meeting. Instead of setting the rules, they acted as if they were trying to discover some existing rules.

After the prize giving, the consultants expressed their thanks for the two days and the CEO held a short speech (under time pressure since the bus to the airport was about to leave the conference centre). Afterwards the CEO was not satisfied with this hasty appearance and felt that it was a part of being a CEO to be more visible during the meeting:
- “Well, I have been thinking about this and we have said that the Business Academy shouldn’t be a monologue from my part and that my role as a manager for the group should be played down, but I see that one expects me as a CEO to take a step forward and talk about how the business is going. The expectations are there independent of what we said, and my role at the next meeting will be more prominent.”

Within five minutes almost everybody was gone, about half the group went by bus to the airport and the other half disappeared just as quickly. The intensive conference was over in a moment. I remembered being surprised and a little disappointed that the meetings ended so abruptly since I had hoped to listen to people chat after the meeting, but I guess that people talked to each other when traveling home. When I later talked to the managers about the meeting, there were two things that dominated the conversation: the balanced scorecard and the meeting as a social arena. The issue of the balanced scorecard was on the agenda for the meeting, but social interaction was something the managers themselves chose to talk about.
Face-to-face Interaction

To get to know each other
When talking to the managers after the meeting they all said that the best thing with the meeting, for them as managers but also for the company, was the social aspect. The social aspect included getting to know new people, meeting colleagues from other units and meeting people that they had only had mail or phone contact with before. “It’s always good to work on some issues. You always get to learn something. But the main thing is that you get a face (to a name) and get to know people.” (Swedish production manager) “To get a face” was an expression several managers used to describe what they saw as a positive outcome of the meeting. I think this is an interesting aspect since they try to express that the interaction in a physical setting adds something that can not be found in electronic contact and exchange of information. But what is this? Another quote illustrates that this might have something to do with the physical appearance of people. “These meetings are getting better and better I think, and of course we get to know each other more and more. Just the fact that we see each again and again gives the feeling that we know each other.” (Swedish sales manager) According to this quote, getting to know other managers does not necessarily have to do with sitting down and revealing personal stories in order to learn more about each other, but instead the meeting seems to provide an arena for casting. The audience is at the same time performing and sitting in the jury that will make an appraisal of the managerial candidates. If the large conference room is the main stage for casting, the small teams provide a possibility to go one step further and see what is behind the face. To move from appearance to mindset gives the opportunity to find a common understanding for the business.

“The meeting was well organized, and the most important aspect was cooperation in the team. Personally I think the team work was most rewarding. I see that as one of the most important advantages is cooperation, and after the meeting we all understand things in the same way.” (Finnish production manager) The team work was required in order to play the game, but the integrative effect of working in a small group was probably one of the intended effects of the game. The business academy meeting contained a variety of formal arenas for interaction, the team, the markets and the management group in total. To promote interaction in these arenas people were seated at the meeting. The teams were a mix of people from different countries and different professions. “The best part is to meet colleagues. I knew many by name and in this way I had the opportunity to see who’s who. It’s good that there was a mix of experts from different areas in the groups.” (Finnish financial manager).
To mix perspectives

The setting in the large conference room was in a café-style with small tables for four people. At every table there was a mix of people from different parts of the company, both from different countries and from different professions. This mix of people was one way to encourage the participants to encounter new people within the organization. The social aspect was the most important outcome for the participants in general. “I thought that it was good because in a way I think one purpose with these meetings is to bring together people from different functions and we work on different markets and to get the chance to compare notes, and really, instead of someone standing and talking to the full assembly, everybody is more or less forced to participate and explain where they stand at the present point in time. That’s why I thought it was good. I believe all the people in all the groups became absorbed in what they were doing. I liked the discussions and I think the groups were composed to have an exchange across the whole spectrum.” (Swedish sales manager) An idea that was prevalent among the middle managers was that of benchmarking between the units in the company, “to get the chance to compare notes”. As many other, the sales manager quoted above also expresses the social aspect as an important outcome of the meeting.

There was a hint that this particular meeting required more participation from the managers than previous meetings, since they had to play the game, which meant that there was more interaction during the meeting, or as one sales manager said, “everybody are more or less forced to participate”. This forced interaction with people from other areas within the company promoted the feeling of sameness. One manager stated that “I think you can see that we are getting more closely knitted each time we meet in this forum” and when I asked how one could see that I was told that “since you participate in different groups and meet different people and sit eye to eye I think you get a face to the name and possible prejudices and other things that have come to mind when you had mail contact with some people, they disappear, and I think that this is one side of this. The other thing is of course the business matters and the training that takes place in these Academies. But the other, the social part, is really the answer to the question about what this means to me personally, that the social contact is important in this forum.” (Finnish financial manager).

Social interaction as a main goal

The objectives for the meeting, to get a professional updating of "tools and models of analysis" to successfully manage and develop the company, is said to be supported via the business matters and the training that takes place in these Academies, but on a personal level the social interaction is the main aspect of the meeting. Here, one can compare the statements after the meeting, when social interaction is highlighted as a way to “Increase the feeling of kindred spirits and create a better understanding”, with the objectives at the meeting when there is much focus on playing the game and increasing the level of businessmanship. An
interpretation of this could be that the KL group has failed to achieve the objectives set for the meeting since the outcome does not match the purpose, but maybe this should not be seen as a failure. Instead it could be about objectives working on different levels.

The perspective of symbolic interaction would explain the objectives as objects that are involved in the interaction between people. According to Blumer (1998) an object is “anything that can be indicated or referred to”, and something that through a process emerges as having the same meaning for a given set of people. Thus, the objectives set by the KL group can represent the desires of top management, what they want as an outcome of the Business Academy. The objectives become objects that the top managers introduce into the interaction to try to control the process. As such, they are interesting since authors taking a symbolic interactionist perspective seldom talk about the process of controlling the interaction, something that on the other hand is quite common in the managerial literature. Certain objects could be chosen because they are believed to influence the evolving process, and amongst the managerial tools, objectives could be such an object that is believed to guide the process to a desired framing of the situation.

On a macro level, in this case for example the industry or business life in general, the objectives could be seen as meaningful in themselves, and not related to a specific context, like many other objectives in business where statements such as “becoming the market leader through strong growth” could be valid for several companies and accepted as meaningful. The objects are taken for granted and loaded with a positive meaning, but when looking at the meeting from a micro perspective, the meaning is blurred. The reason for this is that people in the group accept the objectives as valid for the meeting, but on the other hand, they say that the most important benefit of the meeting is the social interaction. Since an overwhelming majority of the people think that social interaction in itself is the main point of the meeting, this could indicate that there is a need for the creating of meaning in this situation, to understand what is going on in the company and to find a suitable frame. This is not at all unexpected since the Business Academy contains groups from different functions, companies and countries, groups that probably had created some kind of meaning or logic for the business at the point before the merger, but during the integration the managers discover that the pre-merger frames for how to act has become outdated.

What you measure is what you get

The idea of the balanced scorecard

The criteria for winning the game were set in relation to the balanced scorecard, and the teams got 10 points if they succeed on the customer, people and process focus and 20 points for the financial focus. When I was talking to the managers about the balanced scorecard after the meeting I got several comments about
measurements, and although they were expressed in different ways, one main idea was that “what you measure is what you get”. This is a quote from the first sentence in one of the articles written by Kaplan and Norton (1992) where they combined ideas about different measurements under the concept of balanced scorecard. The starting-point was an understanding that the measurement system affected organizational behavior, and that by bringing together both financial and operational measurements in a balanced presentation, managers could get an overview of the business as well as a scorecard that guarded the organization against sub optimization. The four perspectives for measurements that were included in the scorecard were the financial, the internal business, the innovation and learning, and the customer perspective.

Another important aspect of the scorecard was that it helped establish goals but assumed that people were capable of taking the action necessary to arrive at those goals, moving from the traditional financial systems with behavior control to a system focused on strategy and vision (Kaplan and Norton 1992). The scorecard was also said to be a good tool to drive the process of change, for example after a merger, when the scorecard could give a common focus to groups from different cultures, speaking different languages and having different operating experiences (Kaplan and Norton 1993, 1996). When Olve et al (1999) worked in a Swedish context, they noted that the implementation of a scorecard often needed to be tailor-made for the organization at hand. However, they found some general aspects that were recurrent in organizations when implementing the scorecard concept, such as to gain approval and participation, priority, the extent of the project, the simplicity and a common definition of the measurements, etc. At the Business Academy, it seemed as if to gain approval and participation was the main focus, and that the game was a tool to learn about the scorecard.

Reactions to the balanced scorecard
There was criticism from the middle managers, and depending on in what function and in what country they worked the critique looked a little different. In the sales company in Finland they had worked with a balanced scorecard already, and some managers from this unit felt that the presentation at the meeting was far too simplified, and that the idea of the scorecard as a management philosophy got lost at the meeting. In the sales company in Sweden they had not used a balanced scorecard but they saw no difference between the scorecard and the ratios that they already used. If anything, some of the managers were upset because nobody had asked them about their existing management control system. The managers working in the sales companies saw practical problems with having the same measurements. In Finland they worked with Nielsen and in Sweden with Delfi to measure market shares, but these systems based their calculations on different input.

Compared to the local sales companies, the central market department welcomed the balanced scorecard as a way to enhance the overall perspective, with the
reservation that this depended on the kind of measurements chosen and that these measurements could make or break the idea with the scorecard. When talking to the managers about the scorecard, I recognized the description of Finnish managers as being academically oriented and Swedish managers as practically oriented in the way they answered. The Swedish managers could more easily talk about the scorecard in relation to their everyday activities, while the Finnish managers talked more about the scorecard in principle.

“There’s always the risk when you start to simplify the world and start staring at some measurements. Firstly, you can choose the wrong measurement, and secondly, everything isn’t measurable in this life, in business life. You simplify reality too much and try to fit it into a template.” (Finnish production manager) Even though it was expressed in different ways, the question about how to get the right measurements was an important issue in the production department since all the units had their own system for measurement. In Ljungsbro they worked with key figures, and Norrköping worked with a system based on the Kaizen idea: “We have key figures in production. We measure kilo per man-hour, an efficiency measurement. And we measure complaints per thousand tons. It’s a measurement for quality. We measure energy consumption per kilo and such things, but we don’t have these soft human relations things.” (Swedish production manager). Lappeenranta and Helsinki had the same system, a quality system that one of the managers had implemented and that originated from the car industry. This system was maybe closer to a scorecard since it included financial and human resource aspects as well. Poland was treated as a subunit within the Finnish part of the organization and some Finnish production managers were trying to sort things out in the Polish factory since they had a more old-fashioned production unit and according to a Finnish manager in Poland, they also had their own control system. Even though there were several different ways of measuring, the production managers had a generally positive attitude towards a shared measurement system.

**Different ways to measure**

When the managers worked with measurements they had found out that the way to measure things sometimes was different and this was especially disturbing for the people in production who wanted to compare units. They used the same concepts in different ways.

Manager: “Well, the advantage would be to have one scorecard, and I say one because you can have different kinds of scorecards. Then they can call it whatever they want to as long as we have a shared approach. That’s the big advantage.”

CB: “So you have no measurements for the entire business so far?”
Manager: “Not that I know of. We have all these different measurements, but we’re talking about apples and pears. Take for example delivery precision. In Sweden that’s one thing and in Finland another.”

CB: “What does it mean to you?”

Manager: “We measure delivery precision, and I’m only talking about production now and not delivery to customers (that is something that the sales company is responsible for), and if we have decided to run something for two weeks we look at how much it will be and it can never be a full 100, but in Finland they talk about 110. We measure with an absolute limit. Another difference is that in Sweden we aim for the goal. If the goal is 1000, we say that it is as wrong to produce 950 as 1050. In Finland they say that 1050 is better than 950. We measure in different ways.”

CB: “Apart from the possibility to improve communication concerning measurements, do you see other advantages?”

Manager: “Of course it’s the possibility to compare units. That’s the best benchmarking there is.

This was an example of when the question of language did not only concern whether the managers spoke Swedish, Finnish or English, but also concerned how they used concepts within a language. And the goal was to get a shared organizational language: “I see the great advantage in the common language and mind-set. That we have concrete goals and measurements for strategies and vision and create a common mind-set for these overall goals so that they not become fuzzy. That’s the advantage. What can be difficult is that in Finland and Poland we’ve had scorecards for a number of years, but in Sweden they have had measures but this terminology is new and we must create the same platform and understanding for this terminology and this tool.” (Finnish finance manager) To have a shared platform could also be a way to facilitate future changes in the company. “An advantage with the scorecard is that we can change mind-set according to external demands. We can just change a part of it and say that now we have decided to do this, kind of like changing the rules of a game. Instead of working with different opinions about what the rules of the game are, we have a forum were we can change the goals. I think that will be an advantage in the future, that we can say ‘we did that then due to this, but now the customers act like this and the prices for raw material are these and therefore we have to do this’.” (Swedish sales manager).

One part of creating a shared platform was to have a common terminology. When they had this common terminology, it would be translated into a language that could be understood by people in the organization. “What’s important when talking
about measurements is to break them down into lower levels in the organization so that they feel part of this and can measure their own reality and see how they can influence it. A classical example is return on capital employed. You can’t go out in the factory and scream “Increase returns!” but it’s about breaking it down into for example cassation, a production activity that they can understand practically.” (Swedish finance manager) The financial terminology was an important part of the knowledge and learning sessions at the meeting even though they tried to shift focus to other perspectives as well by using the balanced scorecard. But both in the game, where the financial focus got the highest scores, and among some of the managers, there was a prevailing notion about the financial figures as superior. “If you take the HR focus it’s important to set goals, but when you really get down to it, it’s the hard goals that count, results and maybe market shares and that stuff. I mean that they are completely superior. And in the game we played the financial goals were the most important even though the other perspectives had influence on the results, but in reality it’s not like that. At least not in my opinion. It’s money that controls most of the business.” (Swedish production manager).

When it came to the role of the business game it seems as if the main function is to create a shared language in the organization. The managers were generally positive to the scorecard, with the implicit understanding that a scorecard would only be good if they used the right measurements. As I understood this, the managers meant that the measurements would be right if they were in their favor. Also, it was hinted that there did not necessarily have to be a big difference between the business game and the business as a game. What was important was to learn the rules of the game in order to be able to improve as a player.
Act II: Acting Out at the Yasuragi
The Yasuragi is situated on the cliffs outside Stockholm in a fresh pine forest that is typical of the Swedish East coast. The conference building was designed by a Japanese architect and with its simple construction it blends into the surroundings. In accordance with the principles of Feng Shui the interior creates a peaceful and harmonic mood. “The meeting in Mars is supposed to give more time for socializing, more time alone and, more time for small talk. That's why we’ve chosen this environment.” (CEO)

People gather in the lounge where coffee and cookies are being served. At first two groups are formed, one for production people and one for the KL managers. As people arrive, the two groups grow, and when the sales people arrive they sit down in their own space. As the room fills up, the boundaries between professional groups are lost and people hang around talking. The scent from the spa unveils the fact that the conference center offers recreational activities. The stage is set for face-to-face interaction.

The Business Academy meeting on the 11th and 12th of March 2003 had leadership as its main theme. The managers were to talk about what it meant to be a leader in the organization, and the schedule allowed time for social activities since lack of time to socialize had been the main criticism in the feedback given on the last meeting. After morning coffee, people entered the main conference room, which was similar to the one at the previous meeting with a detachable wall in the middle. The management group was mainly the same as the previous time except for three managers who were attending the meeting for the first time. The tables were set in the same way as at the last meeting in November and people were seated in the same places to begin with.

- “As you can see here, we are sitting in the same constellation as in November, and some teams are eager to take revenge. As my tennis partner said, 'Winning is not everything. It's the only thing' (this saying is said in English and not in Swedish, even though the Swedish language was used throughout the meeting. The use of English words and/or sentences in the Swedish language is quite common, and it is often used to emphasize what

25 “A lonely rock. A pure line of a sofa. We have designed Yasuragi according to Japanese esthetics were wabi stands for the beauty of simplicity, and sabi for the elegance that you can find in an old, worn objects. Yasuragi is beautifully situated. Take a walk in the area and experience the simple beauty of nature. Our meditative walk takes half an hour. To create a harmonious composition where the energies flows in the right direction, we have been guided by Feng Shui – a five thousand year old science concerning the environmental influence on wellbeing.” (www.yasuragi.se, 27 February 2006).
is said in one way or another. It was followed by a soft giggle in the room). But now there’s a possibility for those who lost (the last time) to win today. The consultants will explain how and it will be a repetition of our simulation but in the form of a contest. Contests are always fun.”, said a KL manager

The schedule had three main modules: the contest to repeat what was learned at the last meeting, the leadership and communication practice, and the balanced scorecard simulation that would be played again with some additional aspects included. The schedule was once again tight, but this time some activities of a social nature had been inserted in the schedule. During the first day the managers would take part in a Do-In session, an activity of a meditative character, and that very evening there would be a possibility to use the spa at the conference center (see table 6).

- “We have received criticism for being far too efficient. We go on until eight or nine o’clock in the evening and there’s no time for people to talk. Now we have the Do-In session and we have also booked two hours in the spa where we can enjoy the wonderful baths and sit and enjoy and discuss leadership and such things. After that, we will have dinner and we start with a drink at eight o’clock.” said the KL manager

<table>
<thead>
<tr>
<th><strong>Tuesday March 11</strong></th>
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<tbody>
<tr>
<td>09.00-10.00</td>
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<tr>
<td>10.00-12.30</td>
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<td>12.30-13.30</td>
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<td>20.00-20.30</td>
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<td>20.30-</td>
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</table>

**Wednesday March 12**

| 07.00-08.30  | Breakfast |
| 08.30-16.00  | Corporate Transformation Simulation |

Table 6. Schedule for the Business Academy in March 2003.

After the introduction the consultants took over. The consultants were the same as last time and they had joined forces with a man presented as a management guru and who would hold the session on leadership and communication. The first exercise during the meeting was a quiz show, similar to Jeopardy, prepared by the consultants. The purpose of the exercise was to recapitulate the issues from the business game played in November. During lunch, the tables had been regrouped, from café style to a line up with the tables standing in rows, and together the tables shaped an arrow pointing towards the front of the room. There was a new mix of people at every table.
When we play the business game it will be similar to the one in November but this time with a leadership theme. For that purpose we’ll change this constellation (we are sitting in). Now you are sitting in ten groups and in the same teams as last time but for the leadership simulation we’ll switch. Then we’ll be nine groups and a totally new constellation again. It’s meant to be that way so that you can get to know people when you sit in a smaller group and in that way get to know new people better. Furthermore, we are lucky enough to have nine women, and we are getting better about having female participants in the academy, and when we have nine teams I have placed one woman in each team. In that way we get a dimension that I very much believe in, the female dimension on leadership.” said the KL manager.

Then, with a little assistance from one of the marketing managers from Finland and one of the production managers from Sweden, the CEO presented the balanced scorecard for the whole organization. Since the meeting in November, the participants had worked out some measurements for their units, but the CEO only gave the main picture of the balanced scorecard idea. After a description of the company, the next activity was the Do-in exercise. Do-in is a kind of self-massage performed according to eastern tradition and before we went to the exercise everyone got a bag with a yukata, a Japanese robe, and some slippers. In a mail sent out before the meeting it was mentioned that we would be wearing a yukata during the meeting, and wearing the blue and white robes we all looked alike for the rest of the time we spent at the conference center. After the Do-in exercise it was time for the final activity of the day. A consultant that had specialized in communication, leadership and culture entered the room and presented a seven level model for motivation. The consultant, whom they jokingly called a guru, had a somewhat different style. In comparison to the other consultants who radiated business with their alert attitudes, the culture consultant had a contemplative attitude that went in line with the theme for the meeting. After the presentation of the seven level model, the managers got to discuss cultural issues but due to time limitations some questions were left unanswered and the consultant said that they would return to those issues the following day. The day ended with a visit to the spa and a nice dinner.

The second day started early so that there would be enough time for the entire business game. The consultants started with an introduction to the game that was a continuation of the game played at the last meeting. This time the business game was played on a board instead of on a pc. If the teams acted in the right way they got a white marker and if they made the wrong move they got a black marker, and the aim was to move from an original balance between the black and white markers to a pre-set goal. After each year the consultants held a group discussion and talked about some of the aspects of the previous year. After the last year the discussion passed on to the questions left unanswered the night before. The discussion grew more heated when some middle managers expressed dissatisfaction with the way things were going. One of the issues was that the managers had no influence over the subjects dealt with during the Business Academy, and there was also a feeling
of disappointment that the KL managers didn’t know more about the business than they did, and just wanted to implement a new reporting system, the balanced scorecard, on top of everything. The discussion was ended though since there was no time left on the schedule.

A POP QUIZ

The first activity at the meeting was the pop quiz. The conference room was split in two by the detachable wall. In each room the teams, seated at five tables, got to compete against each other. The questions were divided into five categories, and behind every general question there was a hidden question about business concepts. In order to score, the teams had to answer both the category question and the hidden question. When the question was posed, the first one to stand up got to answer. A panel consisting of two KL managers kept the score and awarded points.

- “Before we start, I would like to ask some questions. Who won the last time? You won, didn’t you! (the consultant pointed at a team and one of the team members made a gesture for victory by raising the hands in the air). Then you know your task today (addressed the other people in the room). It’s payback time! (laughter). And as we’ve said, repetition is the mother of knowledge and we thought a good way to start the transition to leadership was to repeat the basics from last time, and that’s what we’ll do now. And it’s a competition and it’s in real earnest, just like we heard about tennis, it’s all about winning.” said the consultant

In the introduction the quiz was described as a knowledge repetition, but it was all about scores and winning as the consultant was trying to get the teams going before play off. There seemed to be a faith in the competitive aspect as a way to spur people into participating in the activities, and when looking at the participants there were at least some managers that committed fully to the idea of playing a game, but on the other hand there were managers that clearly did not like the idea of participating in a contest. Maybe the reason lay in the outcome of a game: if you get winners, you will also have losers. This is not in line with the idea of creating a shared mind-set in the company, unless the shared mind-set is supposed to be about internal competition. It could also be that some people are more likely to apply the game frame. The group of younger men seemed to like this and they got very enthusiastic about the game. It looked like they were competing against each other on an individual level rather than as a part of a team. It was these men that played the game and the rest of the participants sat at the table merely as onlookers.

The panel of judges was appointed, the CEO and the head of finances. The CEO was the referee while the head of finance got to keep scores. The judges could award and subtract points during the game. The categories on the quiz board were
film, geography, world leaders, sport and Cloetta Fazer and within each category there were five levels, ranging from 100 to 500 (like Jeopardy). To begin, one of the managers got to choose a field on the board.

- “Do we get an example?” asked one of the marketing managers.
- “The example will be the first question and why not leave it to you. (people laugh) In fact you only get to choose the field on the board. Everybody has a chance to get it. It’s first up. So what do you say?” asked the consultant.
- “I go for sport.” said the marketing manager.
- “Sport, and what level?” asked the consultant.
- “I have no idea how difficult this will be so I go for 300.” said the manager.
- “300, okay, is everybody ready? Who is the world champion in Formula 1?” asked the consultant.

One young man who took the game very serious was sitting on the edge of this seat and when the question was posed he was fastest to stand up in order to get to answer the question. The answer was Michael Schumacher, and the hidden question behind was to describe what a SWOT analysis was. The manager in question gave a short description. Then the consultant related it to the business game in November and talked about how they had used it to set up a strategy. The next question was also in the category sport and the hidden question was to name the report that describes financial development: the income statement. The consultant talked about income statement and made a parallel to the meeting in November:

- “The income statement is correct. So what does the income statement describe? Development during a certain period, and we said that normally it covers the first of January to the end of December. And one says that it’s an estimation of income and cost that makes up the result. You have to present the income statement in a certain way, the income at the top, then cost, then financial costs and then a result. And why did we say that it was estimation? Do you remember? Why isn’t it exact? (the room is silent) Do you remember that I told you an anecdote about the CEO that came to the company and asked about 2 + 2, and the controller said ‘what do you want it to be?’ Is that how it is?”

The quiz continued in the same way, the hidden questions of a more serious character were mixed with jokes and anecdotes. The voices that were heard mainly came from the group of younger men that were sitting in different teams and looking at each other as if to measure up the competition. Some of the other managers tried to make their voices heard at different points but they had a hard time getting in the game. It was as if the younger men had shifted frames, and were now playing games wholeheartedly, not attending a conference.
The quiz ended with a final question when the teams were supposed to bet with the points they had scored. Then two questions were revealed and they got a minute to write down the answers. The questions were 1) What was Cloetta Fazer’s profit 2002? and 2) What is Cloetta Fazer profit margin for 2003? All the teams knew that the profit margins were set to 12 %, but two teams had the wrong number for profit and one of the teams had actually written “it’s up to the judges to decide (what the profit will be)” and this was put forward as the most correct answer by the judges, “we can’t even begin to describe how right that is”. The message during the quiz was ambiguous. It was a lesson in business concepts, but at the same time there was hinted that the financial figures were doubtful in character. The managers were learning the language of business in order to be able to work with the entire business in mind, but they were also learning that concepts, such as income statement, had to be defined in a context. So what does the quiz mean for the managers? In contrast to the business game when the managers verbally expressed the difference between reality and the game, the quiz was acted upon without commenting. The quiz was not part of the improvisation when the managers were trying out frames but it was played out and they already knew what roles to play, hero, joker, extras, etc. Maybe this is because the game frame is known to people since we have games in so many areas of society. When the game frame is applied people know what to expect and how to act. The rules are quite distinct, which means that the game frame is fairly organized.

The quiz was brought to an end with a prize giving ceremony when the winners got up and shook the hands of the judges and they were each awarded a dart board. This time, the losers got the same prize as the winners. One of the managers in the losing team read on the dartboard box “a skilful adult game”, and then added with a twinkle in her eye “isn’t that what we’ve been doing right now”.

INTRODUCING THE ORGANIZATIONAL BALANCED SCORECARD

After lunch the CEO held a short speech about the market situation in Finland, Sweden and Poland. After this the CEO talked about the organization:

- “One should have leadership, one should have a control system, one should have acquisitions and manage the planning and decision processes. If we have this in place, we will be incredibly strong. These are the most demanding things that we have to live with, and we should see this as fun, a possibility, we learn more, we get committed to each other and to our business. We get a shared mind-set in these questions.”

The discussion came to the strategic planning process that had its origin in the very first academy meeting at Lejondal, and the CEO repeated the mission To create fun
and enjoyment and the vision to further strengthen our position as the market leader in the Nordic confectionery industry. We shall act and be experienced as a forerunner that drives industry development. With the market’s strongest portfolio we shall create added value to customers, consumers, employees and stock owners”. One thing was added to the vision compared to the Lejondal version and that was to strengthen the business in the Baltic Sea area. After this the strategies for five perspectives, market, customer, products, production and employees, were described (see table 7).

<table>
<thead>
<tr>
<th>Perspective:</th>
<th>Strategy:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>Strengthen the position in the Nordic area</td>
</tr>
<tr>
<td></td>
<td>Expand market shares in Poland</td>
</tr>
<tr>
<td></td>
<td>Develop the business around the Baltic Sea area</td>
</tr>
<tr>
<td>Customer</td>
<td>Increased visibility</td>
</tr>
<tr>
<td></td>
<td>Strengthen the brands</td>
</tr>
<tr>
<td></td>
<td>Increased collaboration</td>
</tr>
<tr>
<td>Products</td>
<td>High-class products</td>
</tr>
<tr>
<td></td>
<td>Rationalization of assortment</td>
</tr>
<tr>
<td></td>
<td>Focused product development</td>
</tr>
<tr>
<td></td>
<td>Focus on prioritized brands</td>
</tr>
<tr>
<td>Production</td>
<td>Increased efficiency</td>
</tr>
<tr>
<td></td>
<td>Review the structure</td>
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<tr>
<td></td>
<td>Coordination</td>
</tr>
<tr>
<td>Employees</td>
<td>Shared values</td>
</tr>
<tr>
<td></td>
<td>Competence development</td>
</tr>
</tbody>
</table>

Table 7. Strategies on five areas.

- “If you question the mission, then you don’t know what you’re doing, but I don’t have a problem with that. The vision is something the experts argue about, should it be achievable or not. It’s like when Kajsa Bergqvist (a successful Swedish high jumper) set the bar to 2.00 meter, and she can reach that, and then she sets it to 2.08. Is that the vision, or is the vision 2.00? I believe that the vision should be 2.08. You’re not supposed to reach it easily. You have to struggle for it. But anyway, the vision is a basic thing for our business that we should be committed to.” continued the CEO

Sports metaphors are sometimes used to translate business matters into a more comprehensible language. Here the company is compared to a Nordic top athlete, and it is suggested that to pass the bar at 2 meters, to win, is not enough. The goal should be set even higher in order to keep up the hard work and motivation. Then the CEO continued to mention the different strategies, and stressed the market and the brands as key success factors. In some areas there was a lot to do, as for example the strategy to focus on prioritized brands. The company had ten prioritized brands and in total there were about 600 brands in the company. A calculation was used to motivate the need to focus on priority brands.
- “The ten largest (brands) account for about 40% of the total volume in the company. 40% of the total volume is about 28,000. If we look at contribution margin the ten largest correspond to 50%. So we have to increase these brands. And in the long run, can we even work with ten brands?”

The reason that the company had so many small brands left in the portfolio was that it had been hard to remove the small brands and it had not been an absolute necessity since the company still made good profits. The focus on a few, larger brands had been an issue since the merger in 2000 but the emotional attachment to brands created resistance in the organization. Thus, when it came to rationalizing the brand portfolio the work had not proceeded as planned. To talk about the brands in financial terms was maybe a way to try to get away from the strong emotional bonds between brands and the people in the organization.

Then the challenge to implement the strategies came into focus, and implementation was stressed as the key to success. The CEO showed a picture of yet another version of the matrix “to make sure that we really speak the same language”, and talked about the planning and decision processes as the most critical processes in the organization. To further develop a good example concerning the planning and decision process the substituting marketing manager (the new marketing manager would start in a few months) had been asked to say a few words about the decision process that they had developed in the marketing process. The CEO introduced this by saying that it was due to emotions that decisions were hard to make.

- “When talking about decision processes we have had our most challenging process in marketing and that has been from day one. And it’s supposed to be that way. It’s emotional stuff and emotional people and that’s why they are in marketing. When we merged we had very different views of marketing from the old companies. Very different views. This decision process is a very nice example of how to handle this.”

The marketing manager describes how they had solved the issue of different views by using an organizing based on categories and by setting up decision forums where things were decided. The process from initial planning to a decision was described in boxes, circles and arrows on the conference notepad, but it could as well have been written as a stepwise checklist, step 1, step 2, etc. What was new in the decision process compared to earlier decisions processes was the relationship between sales and marketing. The local sales departments were told to always keep in mind that decisions on a local level could affect business in other countries as well. This was due to customers who had chains of stores in all the Nordic countries, and if they set a lower price in for example Sweden than in the other countries, the customer would see this right away in their systems and demand the same price in all countries. To make sure that there was coherence between countries they had started a decision forum called RRM, resource release meeting.
At the RRM meetings representatives from all parts of the organization took part in making the final decisions.

After this, one of the production managers presented how they had worked with the balanced scorecard in production to give an example of how to use the scorecard. The perspectives were presented in terms of key success factors, goals and measurements (see table 8).

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Key success factor</th>
<th>Goal</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Cost efficiency</td>
<td>Result aware and flexible organization</td>
<td>Operating income</td>
</tr>
<tr>
<td>Process</td>
<td>Delivery precision</td>
<td>Reliable delivery plans</td>
<td>Delivery precision</td>
</tr>
<tr>
<td>Process</td>
<td>Resource effective</td>
<td>Reduced waste of resources</td>
<td>Use of raw material</td>
</tr>
<tr>
<td></td>
<td>production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>Quality guarantee</td>
<td>Decrease in number of complaints</td>
<td>Number of complaints per sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>volume</td>
</tr>
<tr>
<td>Development</td>
<td>Competent personnel</td>
<td>Guarantee the qualitative and quantitative competence for short and long-term</td>
<td>Competence gap</td>
</tr>
</tbody>
</table>

Table 8. Scorecard in the production process.

The scorecard was then broken down into a fishbone diagram (Ishikawa diagram) to understand causes and the example given by the production manager was how they had worked with finding the key success factors to understand operating income. The systematic way of working, both the decision planning process in marketing and the fishbone diagram in production, were presented as suitable models. It is possible that there were other solutions to the same problems in the organization, but at the academy we did not find out about this. Based on the models presented, it seemed as if the preferred solution was a high degree of organization within a frame. After the balanced scorecard session, the leadership theme was introduced by recapitulating what they had done in the Business Academy with regard to core values.
MANAGING THE MANAGERS

Positive characteristics

The core values, open, dynamic, competent and Nordic, were used as a reference point when the management team started the session on leadership. The KL manager reminded the group about the areas for improvement concerning the values that they had agreed on at the first Business Academy meeting in Lejondal. These areas had been divided into four categories: what they did not do but would start with, what they already did and would continue doing more of, what they did but would stop doing and what they did and would do less of. They had put some key words under each heading and these key words were presented as a reminder and as information for the managers that were new to the group. The first one was what they would start with (see table 9).

<table>
<thead>
<tr>
<th>For us managers these core values mean that we in our daily business should:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>START WITH</strong></td>
</tr>
<tr>
<td>- Be available for face-to-face-contact</td>
</tr>
<tr>
<td>- &quot;Big meetings&quot;, information to all</td>
</tr>
<tr>
<td>- Meetings across borders – between functions</td>
</tr>
<tr>
<td>- Open systems: operating income, &quot;no&quot; comments</td>
</tr>
<tr>
<td>- Open mind for new ideas</td>
</tr>
<tr>
<td>- Quality: to define quality, get common definitions, define what the consumer and customer define as quality</td>
</tr>
<tr>
<td>- Competence</td>
</tr>
</tbody>
</table>

Table 9. Slide from Lejondal meeting (the identity project), what they would start with.

When this slide was shown the CEO wanted to make a comment:

- “Can I make a comment? Let’s take a minute. I can give an example of the face-to-face-contact, and I feel like it’s an incredible … I don’t want to say that it’s a failure but it gives a slight anxiety to know that one should be more available than one is. And that’s mainly when it comes to the factories, the floor and in the production group. I’m ashamed to say that I’m only in the factories and walk around on the production floor twice a year.”

This excuse was followed by a story that gives the explanation to why this was so important:

- “Last week I met some guys from production. They had worked 30 years in the company, and one of them said ‘Things are not as good anymore in the
company’. I asked ‘Why?’ Well, in the 60’s when he came to the company Sven Fazer, from the second generation of Fazer owners, walked around and he really loved machines. So much that there were machines standing outside the factory and some of them were never even used because at every fair in Europe he bought machines, no matter if they were needed or not (people in the room laughed at the story). Sven loved machines and maintenance: it was always up here (made a gesture towards the sky). He loved maintenance. Well, then came the next generation, Peter Fazer, and he had no clue about these machines, but he loved quality. At the age of 16 he made these fudge things and stuff like that (the CEO stirs in a fictive cauldron) and people in product development looked up to him. He, if anybody, knew how things would taste, and what we lack in this culture is someone to walk around and try the mixtures and decide if it’s good or bad and I don’t have that kind of competence but what we can do is to be visible."

The CEO uses a tale from the organization to form a bridge between historical plays and the play that they are to set up in modern time. The main characters from the past are portrayed as old-fashioned pioneers with a passion for production and quality, and there are in fact still today traces of this commitment to the business in the factory in Helsinki, where one of the Fazer family members has a studio for chocolate handicrafts. Even though some things are still made in the historical furrows, the organization is trying to set up another play. Based on the shift from country based companies to a more international setting, we could say that they are trying to turn the local variety show into a modern Broadway inspired production.

From feedback given by the organization they had learned that top managements’ activity in daily business was a critical area, and the end comment to the slide about what to start doing was that “there is much to do but the question is if we have enough time to do it”. The next slide with what they should do more of was only shown briefly and not commented upon (see table 10).

<table>
<thead>
<tr>
<th>For us managers these core values mean that we in our daily business should:</th>
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</thead>
<tbody>
<tr>
<td><strong>DO MORE OF</strong></td>
</tr>
<tr>
<td>- Build relations</td>
</tr>
<tr>
<td>- Get to know each other</td>
</tr>
<tr>
<td>- Delegate: let the employees get responsibility / give authority</td>
</tr>
<tr>
<td>- Feedback: positive and negative reactions</td>
</tr>
<tr>
<td>- Create a positive feeling</td>
</tr>
<tr>
<td>- Quality: MEASURE, give feedback + recognition</td>
</tr>
<tr>
<td>- Competence: be visible in the organization, bring out positive events in the organization, more systematic and customer/competence focus in competence development</td>
</tr>
<tr>
<td>- Market: use customer feedback actively, prioritize and focus activities, innovative</td>
</tr>
</tbody>
</table>
solutions, “Best practice”, benchmarking
- Job rotation, including between Sweden / Finland
- Training
- Set an example
- Positive feedback. Encouragement
- Knowledge

Table 10. Slide from Lejondal meeting (the identity project), what they would do more of.

Negative characteristics

As always, the schedule was tight and the story about the owners stole some time from the presentation. On the other hand, there was no time for discussion around the items on the slides anyway, but the rest of the slides were quickly presented (see table 11 and 12).

For us managers these core values mean that we in our daily business should:

STOP

- Maintain one´s prestige
- Hide problems
- Quality: “believing” and “thinking” about product quality
- Bullshit about other parts in the organization
- Thinking that what was good yesterday, have to be good today
- Prejudice, preconceived notions
- Stop saying “I AM FROM FAZER”, “CLOETTA IN LJUNGBRO”

Table 11. Slide from Lejondal meeting (the identity project), what they would stop doing.

The last sentence “I am from Fazer, Cloetta in Ljungbro” was held up as an example of something that was typical in the beginning of the integration. During that time it was perceived as a problem that hindered integration. When looking at the sentences in writing it seems harmless enough, a slip of the tongue due to old habits, but during the integration process the way to classify ones identity via the language was a sensitive issue in some situations. It could be interpreted and/or used as a protest against participation in what was to be the new company, Cloetta Fazer. Also, to say that one belonged to either Cloetta or Fazer, was a way to say that one did not belong to the other. This is an interesting aspect of language in social interaction: it seems to have the potential to hold a positive and negative message. What is said can at the same time have a reversed interpretation. If one
manager would say “Fazer has a really successful brand strategy” this manager could at the same time mean that “Cloetta has not a successful brand strategy”. But why not say things straight out? The answer to this could be that this is the way they talk. Is it in line with the managerial frame to use positive wording?

The division into two organizations reappears under the note “Swedish versus Finnish” on the slide What to do less of:

For us managers these core values mean that we in our daily business should:

DO LESS OF

- Bury in details
- Unstructured meetings
- Quality: “shit”
- Market: copy competitors
- Negative feedback
- Swedish versus Finnish
- From LOCAL solutions to SHARED

Table 12. Slide from Lejondal meeting (the identity project), what they would do less of.

The items were stated in order but not elaborated upon, and for the people that did not take part in the creation of the items it might be hard to understand some words, such as Quality: “shit”. The discussion behind the summary in the key words was hinted at, “Alright, quality, shit, there it was” but no further comments were made. Then the presentation quickly moved to the results from a survey made in the organization. The questions concerned different aspects of work motivation, such as communication, leadership, etc. The results were presented in statistical numbers that were very exact but that did not really communicate anything to the managers listening. One example was that the motivation in the organization is 0.11. This was apparently very good compared to the work motivation in other tested organizations. Then diagrams with circles were used to communicate the results, but the diagram needed to be translated by the KL managers in order to make sense. One thing that was used to explain a slight difference between the results for the Swedish and Finnish organizations was that the people in Finland were more pessimistic, “it’s thus due to culture”. One thing that was emphasized in the diagrams was the correlations between the variables good leadership and work satisfaction, and a reference was made to the fishbone diagram as a way of understanding what aspects they needed to work on, and the goals that would define good leadership was discussed. All in all, the work environment was said to be fairly good in the company and they saw this as a good starting-point to work with leadership.
The survey was yet another tool given to the managers to solve problems in the organization. It was a systematic model that could be used to analyze the current state and that showed how to express the findings in business language, numbers and authoritative concepts. The systematic way of working could give power to the people who used it but it also gave the possibility to unite people since it was a tangible system. A model is explicitly expressed, and even though it can be interpreted in somewhat different ways, it is still easier to return to the model and interact in relation to the model as an object, compared to interaction concerning unspoken ways of working. The presented (and thus preferred) way of working had more resemblance to the way they worked in Fazer before the merger. In Cloetta they also had a practice for how to do things, but it was not written down and related to management literature in the same way and in relation to the academic voice in Fazer. This made it harder for people in Cloetta to get their voices heard since they could not refer to a general organizational principle.

DO-IN

The work based on the core values was used as an introduction to the leadership module, but first the managers dressed in blue and white yukatas and went to another room to do Do-In. Do-In, similar to tai chi and Qigong, is designed to create harmony, balance and relaxation. Using breathing, massage and meditation, the goal is to achieve physical, mental and spiritual balance in the body as a whole. This is actually similar to the goals in the organization where key words used by the top managers are for example balance, harmony and to take an overall picture, i.e. to see the organization as one. Judging from their confused looks, I think that this was the first experience of this kind for some of the managers. However, they participated without questioning the exercise and I think that for some of the managers this was an exciting experience in an area that was new to them. A session like this creates a certain mood, at least for me, and I think that it also set the mood for the play to come, the discussion on leadership and culture.

CULTURE WORK SHOP

The way we work

Back in the conference room the consultants tried to get the discussion going.

- “Does anyone have a good explanation of what culture is?” said the consultant.
- “A set of values.” said one of the KL managers.
- “A set of values.” said the consultant.
- “Norms?” said another manager.
- “Norms.” said the consultant.
- “I think that it’s a way to live that you don’t want to do without.” said another KL manager.
- “Yes, it’s something we share. One way to describe it is how we work. Sometimes one makes such complicated explanations. One of the more fantastic ones I have seen is a picture of two people trying to explain and there is text everywhere and they have a hard time keeping track of what they are talking about, but as the English say, it is ‘the way we do things around here’ (this is said in English). That’s culture. And we will devote time today and all day tomorrow to talk about questions of culture and value.” said the consultant.

The managers were encouraged to participate actively and the consultant took the role of the discussion facilitator. When the consultant did this the stage was broadened, and the managers that thought they were going to sit in the audience were moved on stage and told to improvise. The improvisation started with a proposition that dialogue and interest were the most important aspects for development work. Some of the Swedish managers commented on this and they described dialogue as "to go fishing for response".

It seems as if people were looking for the rules in the interaction, and possibly to change the rules if they did not fit with the goals that they had. People that were higher in rank in the organization were probably used as reference objects when evaluating if an idea could survive or not. This way to communicate was more like an experimental situation than a way to have a direct exchange in verbal communication.

The conversation did not seem to really get going so the consultant continued with a description of the company mission, values and norms by using an image of a landscape.

- “I will use an image that we use all the time to show you how I look at things, and then we can check if you might have another image of things.” said the consultant.

The image that the consultant drew on the conference notepad was a mountain landscape with a sun setting behind the hills and a road leading up to the sun, and beside the road there were road signs. The sun represented the mission, the road the vision and the road signs represented the norms, and the consultant emphasized that they were going to work with the road signs, “the norm systems and how we do things around here, how we choose to work and why we do that”. The consultant
chose to work with an image (a metaphor) instead of verbal definitions since the image left room for individual interpretations of the issue.

Seven levels of motivation

After the image that was used to put the norm discussion on the map, the seven levels of motivation used in the VBL (value-based leadership) board simulation were introduced. To understand the forces that drive behavior, the managers were going to work with motivation. The idea was based on Maslow’s hierarchy of needs, but had been adjusted to fit an organization instead of an individual. The model had been developed by Richard Barrett and was a cultural transformation tool. While the consultants used the concept motivation in Swedish, the model was originally called the Seven Levels of Consciousness. It was used to map employees’ personal values and their perception of current and desired values in the organization. For Barrett’s (1998) description of the seven levels, see table 13.

<table>
<thead>
<tr>
<th>Survival Consciousness</th>
</tr>
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<tbody>
<tr>
<td>The corporate focus at this level of consciousness is purely and simply making money. The motivation is greed. It usually takes the form of bribery. There is an underlying assumption in this form of giving that the organization will get back far more than it will give away. If you want to rationalize it, call it an investment.</td>
</tr>
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<table>
<thead>
<tr>
<th>Relationship Consciousness</th>
</tr>
</thead>
<tbody>
<tr>
<td>The corporate focus at this level of consciousness is relationships that serve the companies needs. The motivation is a milder form of greed. It takes the form of financial support to a cause or campaign to get favors at a later date. If you want to rationalize it, call it putting money aside for a rainy day.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Self-Esteem Consciousness</th>
</tr>
</thead>
<tbody>
<tr>
<td>The corporate focus at this level of consciousness is being the best. The motivation is looking good. It takes the form of financial support to an institution, a charity, or some other cause that is in the public eye. At this level of consciousness the organization wants to be seen to be giving. Preferably they want their contribution to be publicly acknowledged by the institution or organization or get some publicity out of the exercise. If you want to rationalize it, call it building a public image, or indirect advertising.</td>
</tr>
</tbody>
</table>

These first three levels of consciousness are about self-interest. The driving force is getting rather than giving. At the next level of consciousness the emphasis begins to shift to the common good. As we proceed through the higher levels of consciousness there is less concern about returns and more concern about the impact the giving will have on the beneficiaries and society in general. In the higher levels of consciousness the organization recognizes it operates within a social context and that it ultimate success depends on the success of the whole.
### Transformation

The corporate focus at this level of consciousness is learning and growth. The motivation is increasing knowledge. It takes the form of contributions to institutions and organizations that foster new ideas and help people learn and grow. At this level of consciousness the organization is concerned about increasing the education level of a general pool of candidates for future employment.

### Organizational Consciousness

The corporate focus at this level is the physical, emotional, mental and spiritual needs of employees. The motivation is employee fulfillment. It takes the form of exercise facilities, child care, emotional support and personal development. It is about creating great facilities and helping employees become all they can become. Underlying this motivation is the dual purpose of attracting the best people and building a better world by growing people.

### Community Consciousness

The corporate focus at this level of consciousness is support to the local community. The motivation is caring about what employees care about. It takes the form of financial contributions to local charities and local communities as well giving paid time off to employees so that they can contribute to their favorite charities. Underlying this motivation is the recognition that the organization and employees are part of a larger social construct. The success of the company and the community are interwoven.

### Societal Consciousness

The corporate focus at this level of consciousness is to support society as a whole. The motivation is to make the world a better place to live. Corporations at this level recognize that whatever contribution they can make to improving societal conditions will benefit everyone. They understand the interconnectedness of all life.

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Table 13. Seven Levels of Consciousness (Barrett 1998)

When the managers discussed the seven levels, the aspect of balance was once again stressed. Then it was time for the workshop.

**Seven level workshop**

**The individual, the company and the future**

The consultants had placed signs on the walls that represented each of the seven levels. The managers were asked to place themselves by the sign that represented their most prominent personal driving force. People got up right away and moved around the room until they found their place. Some signs attracted a lot of people and some of the managers started to joke about the others. One example was that someone called the (few) people that stood at the sign representing the basic level,

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the survivors. Then people were encouraged to talk to each other within the groups about the reason that they had chosen that particular level.

Then the managers were asked to go to the sign that represented the current driving force for the business: “What’s the drive for this company?” People moved around in the room and almost half of the group ended up at the basic level, the Survival Consciousness.

- “Could you explain why it’s so crowded over here?” asked the consultant pointing to the group at level one.
- “12 %.” someone answered.
- “12 %? And everybody understands that?” asked the consultant and several of the managers in the group say yes. The consultant continued:
  - “Okay, can you give me an example?”
  - “That’s the most obvious goal, the financial goal.” said one of the Swedish production managers.

When the consultant asked the group at level three, Self-Esteem Consciousness, the group was much smaller and not unanimous. Some key words that had been used in Swedish appeared in the descriptions as well, such as efficiency, system and quality.

- “Results, sure but we can do it even better and that’s why I chose efficiency.” said one of the Finnish production managers.
- “That’s what characterizes the business today?” asked the consultant.
- “Yes, that’s why we’re standing here.” said the production manager.
- “I don’t agree with that.” said a Swedish marketing manager.
- “Everybody can have their own opinion.” said the consultant.
- “I think it’s about system and quality.” said the marketing manager.
- “So that’s the downside of this?” The consultant interpreted the marketing managers’ words as an expression for dislike.
- “Although I see that as positive.” said a Swedish production manager.

The other participants laughed at their shilly-shallying. Then the managers got the last assignment in the workshop, to place themselves at the sign that they wanted to have as a goal for future development. People spread out evenly throughout the room. The consultant started with the group that was standing at level four, Transformation, and asked why they had chosen that level.

- “Everybody else chose this one.” someone said and the other laughed.
- “Yes, ‘I want to be in the middle of the group’.” said the consultant.

The group wanted to continue joking about this but the consultant interrupted and said:
- “But really, what do you want to achieve? How will the future look? Why are you standing here?”
- “I like that sentence organizational growth through employee participation. That’s beautiful.” said one of the Swedish finance managers.
- “To create conditions.” said the CEO.
- “As I understand it, if we commit to this then we are also part of controlling change together with customer and employees.” said a Swedish sales manager.
- “That’s so true.” said the CEO and placed a hand on the sales manager’s shoulder. People laughed.
- “Ooops, what happened to the salary there?” the consultant said jokingly.

After the consultant had asked the other groups, the group consisting of two managers standing at the level Organizational Consciousness got to give a last comment.

- “Well, this is a nice mix here, marketing and product development together. But today we are very much Finland and Finns, Sweden and Swedes, Poles on the side. What if we were one company that didn’t think about if this is Polish or this is Cloetta traditions or if I’m an old Cloetta-man. It would be such a nice feeling, regardless of change and making a difference but to be one, one homogenous company.” said the Swedish production manager.
- “That’s beautiful.” someone said.
- “Thank you.” said the production manager and dramatically added a sob and people laughed.
- “Then I want to end by saying something about a positive, creative organizational culture. That has to do with dynamics. That we have freedom. Then we have shared vision and values. That’s a basic platform, and I don’t say that I agree on everything we’ve said, but what was said during this last round is exactly what this could lead to. That we agree on what is important, that’s crucial. And then it’s about shared values, a vision, a platform to work from. That’s how I see this.” said the Swedish marketing manager.

The consultant pointed to the difference between what the managers saw as basic drives in the situation at hand, and where they wanted to be in the future, and this led to a discussion about whether it was financial results that gave the opportunity to work with the other aspects or if working with the other aspects gave financial results. Even though there were seven levels, people divided it into two categories, financial and other issues. This was not at all expressed in the model, but I think that this shows an important assumption within the group. The financial perspective was seen as something striving in a different direction to innovation, development and such things.
Back to Finland and Sweden

The consultant broached the subject of culture again. The CEO gave examples from cultural differences when living in Finland and Sweden:

- “After living a while in Sweden, I think that Sweden as a country has a broader cultural base, maybe a broader value base and behavior base, in that way that Sweden is more diverse than Finland. You see many examples. I can give one example, and I’m not saying that this is either good or bad, but when I look at the news in Sweden I’m not surprised no matter who all of a sudden is interviewed. The threshold to get in the news and say something is low if I may say so. In Finland you have to be an authority to get to comment on an issue. It’s not like someone from the street coming and saying “I would like to tell you something” in such circumstances. This is a cultural issue and the culture is freer here (in Sweden).”

The issue of Swedish versus Finnish flourished. One manager tried to comment on this in a way that was commonly used within the company: to talk about the decision style in terms of time to decision, time to reach the goal and commitment during the way to get there.

- “In Finland it’s much easier to just go and we set a target and that’s that. We learn a lot and in some way we get there, but according to the Swedish model it takes longer to get there but you understand why you are there.” said a Finnish manager.
- “I think that’s well-known, and I think we all got experience of what you are talking about right now. There’s a bigger commitment in Sweden than in Finland.” said one of the Swedish managers.

The two managers both held up their own way of working as the ideal. The Finnish manager said that the Finnish way is “much easier” and then the Swedish manager countered with a comment “there’s a bigger commitment in Sweden than in Finland”. This could be described as a scene in the play where a duel between the two heroes, Finland and Sweden, is going on. The only difference is that in the play it is obvious who is the hero and who is the villain, but when talking about Sweden and Finland, the roles are ambiguous. The consultant, as a joker, reacted instantly to put out the (possible) fire by telling a joke:

- “I heard from a guy in Kosovo what the Americans said about the Swedish defense. It’s the only army that takes an order as a starting-point for a discussion.”

People laugh at this and then the discussion moves on to the relationship between behavior and culture.
The 12 % margin guides behavior
The consultant took 12 % margins as an example, and asked what kind of influence this cultural expression had regarding behavior.

- “Maybe the usual, that decision making is often made on the short-term in relation to quarterly reports. The quarterly results control our activities towards the market, to the consumer. “Can we afford to do this in May or June” for example and not based on a consumer perspective that should be our main interest.” said one of the Finnish marketing managers.

People nodded in approval but a KL manager had a different opinion.
- “Not really since the 12 % are not necessarily short-term, not per month or per quarter.”, said the KL manager.
- “No, but we all have been in situations when we’ve gotten a ‘no’ based on the argument that we can’t afford it now, maybe next quarter.” said the marketing manager.
- “I think that the 12 % is one of the most pronounced goals, we’ve said it out loud, but maybe this is due to the lack of a scorecard. I think we will get balance now.” said a KL manager.
- “Seeing is believing.” said someone in the group in English.
- “The proof of the pudding is in the eating.” said the consultant, also in English.

Then the consultant turned to the CEO and asked about the 12 %:
- “Is this true, are the financial goals the most important? I don’t know. I’m just asking.”
- “That’s the goal we communicate. As a company with 6290 owners, as we had at the turn of the year, there are some things we have to communicate to the owners, to the market. As a listed company we get evaluated on the result, it’s a period of 12 months that we are evaluated on. And we are committed to the board of directors.” said the CEO.

The discussion about 12 % gets people going and one question is if the 12 % is a fixed or variable number.

- “The board has no problems to accept other goals. If we are in a situation when we are establishing on new markets I don’t think there’s any problems communicating and selling this to the market. We could have 8 % margin in such a situation during the next 24 months. We could sell that.” said the CEO.

Then the discussion turned to the differences in culture again.
“In the fall of - 97 I came from a listed company where I had worked for 13 years and we had foreign investors that wanted return on capital employed. Month after month after month it was all about profit. That’s how it is in a world like that and I liked it. When I came to Fazer, and the first board meeting, I talked about financial goals and scorecard and Peter Fazer said to me ‘what do you mean? Don’t you understand that if we have top quality products, the best chocolate ever, our consumers will buy that and we’ll make enough money’. I asked him ‘how much is enough?’ but I never got an answer. On the other side I have never received criticism in Fazer for not achieving results because they had enough money. Then when we merged with Cloetta it was the same again because they were a listed company. We had different cultures.” said the CEO.

Then the business simulation was introduced. The managers were told that they are the appointed management group in a company where the old management group had failed and was removed by the owners. Their assignment would be to simulate a number of strategic choices and see what the consequences would be on the business as well as on the culture. After the culture workshop it was time for social activities.

A SOCIAL EVENING

During the time in the spa people relaxed, separately or in smaller groups. As a scene in the play, the spa gave quite different conditions for interaction. To walk around in a swimsuit made the body very salient and one possibility was that the levels of comfort with ones own body could affect the interaction in the spa. There could have been a difference between the Swedish and the Finnish managers with regard to this since people from Finland are more used to spending time in the sauna with others. Another aspect could be the gender issue. In the spa there was also the possibility to withdraw from people and relax in solitude and thus not act as the manager but just enjoy the baths. The yukata was one step away from the official managerial costume, and maybe the swimsuit was the next step. During dinner later that evening, almost everyone was dressed in the blue and white yukata. The dinner was served in a Japanese inspired interior and we sat on low chairs and enjoyed a wonderful meal. The managers at my table talked about family matters and we had a very nice time at the dinner that lasted until midnight. Then I went to bed but the day after I heard that some people had stayed in the bar until 3 o’clock.
SIMULATING CULTURE CONTROL

The game starts

When people arrived into the conference room the next morning many were wearing their yukatas. A new consultant had arrived to guide the managers through the simulation. Values-Based Leadership (VBL) “is a board simulation experience that supports executives and managers in understanding how to build a values-driven culture by exploring the relationships that exist between values, culture and financial performance.”\(^{27}\) The simulation board was quite complex and in English so a consultant, dressed in dark suit and a light blue shirt, walked around in the room to guide the managers through the first part of the game. English and Swedish was mixed and while English was used for business terms, Swedish was used to describe the moves they should make on the board. The managers were asked if they understood the cultural consequences and one of the managers said “yes, yes, we have”. Then the managers got to play on their own and they really got into the game. After the first year was over the consultant pushed them to go on with next year.

- “When we’re done with the distribution of roles you can start right away with year two, and the first step is to go through page 21, look over the eight projects that are described. You can also look at the board where the headings for the projects are written. Of the eight projects you can choose four, so get into an extensive discussion about what your priorities are and note that you only have the possibility to implement one project each year so you’ll have to have your priorities set for the four projects. We can call it pace for launching.” stated the consultant

Team interaction

The groups got going. There was a lot to do and as always, not enough time. In one group, two of the four managers dominated. Often one of them, the Swedish finance manager, made the first move and the Finnish production manager came with a counter move by saying “this is what I should have done in my department”. When the two managers in charge had agreed on a move they checked with the other two managers to see if they agreed and most of the time they just accepted silently. At one point in time, one of the dominant managers leaned towards me and whispered that one of the silent managers was actually really competent, and the silence was due to difficulties with the language.

\(^{27}\) www.valuescentre.com (3 March 2006).
During my study I got these kinds of revelations to what was going on a number of occasions, and they all came from the KL managers: “To whisper in trust is only made by the KL managers. It’s as if they want to help me see certain things that might be of interest, and that’s very kind of them but at the same time they are a part of the group I’m studying. It’s as if they distance themselves from the role of a group member and act as outside observers.” (Observation note 2003)

One thing that I think is very interesting with these whispered comments is that they hint at awareness of the meeting as an ongoing play. They act the managerial role in the business game and talk about what they should do, but then they step out of character and with a theatrical whisper explain some aspect of the play. The KL managers seemed to take the role of the narrator in the play in the relation to me as an audience. These comments added things that were not visible on stage but that might be needed to understand the play.

The question of leadership

During the feedback session the question about what leadership meant came up.

- “Just to give you an example and please don’t misunderstand me now. In soccer, AIK have probably the best knowledge about soccer and still they have great problems. LHC (Linköping Hockey Club) have certainly competence and knowledge about hockey, if we look at things like time in the league, salaries, and merits, but compared to Timrå they are down here (holding the hand low). Attitudes have been crucial. It’s a team sport and I believe that it’s the same way in business. That’s what we’re doing.” Said the CEO.
- “Doesn’t that mean that knowledge is the base for everything? You go to school and learn and have a range in your knowledge that means that you can be in different places in different situations. Then the skill becomes about attitude, this intangible stuff.” Said a Swedish sales manager.

The consultant tried to organize a discussion by connecting different emerging opinions to each other, but the discussion was somewhat incoherent. Another KL manager decided to tie things together:

- “I want to comment on enthusiasm as something artificially created. Isn’t that what leadership is all about? Leadership is not about creating knowledge. It’s not so easy to say that by being a good leader you get people to reach a certain level of knowledge. Enthusiasm, on the other hand, can be created by good leadership.”

A Finnish marketing manager tried to nuance the concept of enthusiasm, but the discussion consisted of scattered one-liners from a few actors rather than a dialogue
within the group. Then it was time for the third statement from yet another KL manager:

- “When talking about leadership, this is built on James Collins’ *Built to last* and also the book *Good to great* by Jim Collins, where managers that create long-term value are analyzed, and it’s often about enthusiasm and skill. They didn’t just have it themselves but they saw to it that the organization had it, so that if they left the company it would still be there and that’s what created this long-term success. That’s why what we heard earlier (from the other KL managers) it important. To through the leadership create enthusiasm that stays in the company.”

The consultant filled in that it was the continuous work with *what is right* that made things happen (and at the same time as this was said the consultant pointed to the sun in the picture drawn the day before that illustrated the vision). Then the group went on to talk about some event cards in the simulation.

**Returning to the game**

The consultant had chosen some cards, and one was about how to manage leaders in the organization. The card was written in English and the consultant read it out loud:

- “This is from the third quarter, year three. *Star sales manager of major region who always meets his targets has a high turnover of sales staff due to his poor interpersonal skills. Do you, (a) let him go after repeated counseling and no improvement, (b) do nothing, (c) promote him to sales director where the company has access to his knowledge but he has less involvement with the sales staff.* How did you do at this one?”
- “We chose ‘A’, to fire this person. But there was an option that was not in the game, and that is that you don’t have to promote a person in order to take advantage of his knowledge. You can find other options because it seems like this is an important person for the company profit wise.” said a Swedish production manager.
- “It gives completely wrong signal if you promote that kind of person.” said a Finnish finance manager.
- “So in this game it was a simple choice.” said a Swedish production manager.
- “That’s right. We’re trying to make it black and white.” said the consultant.
- “Another aspect is if the success depends on him. We don’t know that. It could be a situation where he had just picked good deals.” said a Finnish finance manager.
- “And that his staff is doing the job for him?” asked the consultant.
- “That’s what I mean.” said the Finnish finance manager.
“We have to reach a decision.” said the consultant.

“We were discussing about whether one should give him a chance to change and based on that, our decision was to not allow exceptions because that gives the signal that one can do whatever one wants. There have to be rules.” said a Finnish marketing manager.

“Exactly. I was just going to say that.” said the consultant.

“Then we’re off track. We said that his fine result actually is his earnings and that he has a specific knowledge that this company, in one way or another, is dependent upon and that they don’t want to lose that knowledge.” said a Finnish marketing manager.

“When we got into that situation we had a lively discussion just like you did, and the three alternatives wasn’t enough, and that one after all wants to keep the knowledge in the company, and then we found a trick to manage the game.” said a Swedish production manager.

“Well, there’s always something like that. But again, remember what I said yesterday. The important thing is the dialogue. That this is a move in the game and that you can get scores for is one part but the most important is to have a conversation and to draw conclusions from it.” said the consultant.

“One thing that you pointed to was that there might be other possibilities to make a career. That’s the conclusion one draws.” said a Swedish finance manager.

“If your discussion leads to how you have to set up your own situation, like “well, we maybe don’t have all the career options that we need” then I’m the first one to applaud this. Then this leads to good things. This is work that in one way or another needs to be done.” said the consultant.

Then the fourth and final year was played, and during the feedback after that year, the question about customer or employee focus came up. In the discussion there was an agreement about customer and employees as two sides of the same coin. However, one manager still wanted to find out which one was really the most important and to this direct questions the consultant said “that depends” but the CEO said:

“We can’t end up in a situation where we just sit and socialize and have fun internally, because there is a management group with demands and there is the board and owners with demands. Then, whether it’s the margin or something else that drive us doesn’t matter, but if the demands aren’t there, we’ll end up in a situation when we’ll only have fun together. But if we have demands, the priorities will be there to. That’s how I feel. You get clarity when you know what the demands are.”

The consultant added that this was really a question about leadership or management, and that leadership was the way to find a sustainable development in the company. One of the managers gave an example of the importance of customer focus by drawing a parallel to the IT industry, which started a discussion about
leadership in IT companies. Then, one of the other consultants ended this discussion by saying that what the IT companies lacked was not leadership, but management.

- “I know people that were a part of this IT-dotcom-boom and an interesting reflection was that many people were good at leadership in that business but they lacked skills in management. Very many knew how to generate enthusiasm and work towards goals, but few knew how to work with measurements, what systems to use for follow-up. So it’s always a balance between these two.” said the consultant.

Then the consultants asked if there was anything else they wanted to talk about.

- “Who won?”

People laughed at this comment and started counting the coins for the final result.

**PICK AND MIX CULTURE**

Should there be one or many cultures?

The last session was used to take care of the loose ends and to talk about what to do next, “what culture are we going to have”.

- “A discussion I heard yesterday was this thing about Finnish and Swedish. Then I got an explanation last night, ‘well, this thing about Swedish and Finnish (culture), one tends to run to the simplest conflict’. That is, if there are other things more complicated, it might be easier to blame something that is so obvious, to say ‘well, that’s probably Finnish (culture).’” said the consultant.

The question about Finnish and Swedish culture was old news and didn’t spur a discussion. When the consultant asked if there were other issues that needed to be discussed, one of the middle managers raised a critical voice and questioned the use of the business academy:

- “Well, one thing that has been in the air during lunch and coffee breaks is ‘what’s the use of the Business Academy?’ Is this recreation for tired managers or is this possibly something we should take home for everyday use and really put on the agenda? And it’s not just about this exercise, it’s about other things as well.”
This comment was followed by silence, and then the CEO got up and tried to explain the purpose of the Business Academy:

- “I would like to say that it has been a theme, no matter if we are talking leadership, businessmanship or strategy, so the purpose has been to reach agreement. I don’t know if you feel the same way, but to get an agreement concerning how to meet future challenges, how to work in the future, the academy has been a platform for creating these. And we create agreement by getting closer in the projects and the whole work with building a strategy with a vision and a mission and goals and strategies, things like that. That’s the way we are trying to get closer and we are getting closer each time we meet. I think that’s the most important thing with what we call the Business Academy. That’s one thing. Then we have received criticism for the schedules that are too tight and because of that we had more recreation this time.”

An example of how one could work came from one of the other middle managers:

- “This has been interesting but do we take this with us home or is this meeting a roundtrip to culture land and then we’ll go home? What if we could find something for every management team to take further? A banal example, but we could have a culture related measurement in our scorecard that we all have to work out strategies for and then we have to present the results in say six months from now. These kinds of simple things.”

This suggestion received positive comment from one of the KL managers, who added that first of all they needed to decide what kind of leadership they would have in the future. The consultant tried to put things in perspective by using a metaphor for bottom-up culture, and drew a picture on the conference note pad. The picture was of a vase with some flower in it.

- “This vase is the company group, and the shared culture for the group is the vase. Then we have the flowers, a Finnish production unit, a Polish production unit, a Swedish sales force and probably these flowers need to grow on their own terms but they have something in common: the vase. So this is the opposite to top-down. But you’re talking about the straitjacket, ‘here you go, this culture is what you should have’. This picture is the opposite of that.” said the consultant.

After some grumbling about the concepts leadership and management, the leading troika in the KL group wanted to set the direction. The first KL manager couldn’t

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28 The managers in each country had their main focus on their respective markets and the managers for the marketing and production project were focused on their operational projects. This left the CEO, the head of finance and the HR manager as a group within the KL group and they were
let go of the idea of defining what the vase was about. The other KL manager continued to talk about the need to have a common platform, “we’ll blossom in the vase, but we’ll be in a vase”. And the third KL manager then came back to the idea with the Business Academy and picked up on things the other two KL managers had said. The metaphor about the vase and the flowers were expressed in plain language, “we have to turn culture and values into concrete behavior”. To give an example of how this could be done, the manager then revealed that one of the organizational units, Konfektyr, had achieved top results as a learning organization and had been given an award as one of the ten best workplaces in the EU. One of the managers from Konfektyr reacted to this:

- “Maybe it’s very clear for the top-top-management, for you guys in KL, but not for everyone. This is change management, and change doesn’t work until we change our mindset and then our attitude, but we’re not there yet.”

This brought up the question about what the purpose of the Business Academy was again.

- “We talk about talking, but what about the ability to listen? We deal with so many different issues but do they correspond to our needs? What about the needs that the organization has? Are those needs met or do we just talk about issues that top management thinks are important?” said a Swedish middle manager.
- “Would you like to express your thoughts on this?” asked the consultant.
- “Well, to bring up the question is to show my point of view. To give an example, I can say that I have tons of things back home that I would like to talk about when it comes to values, ‘why do we do this and not that?’” replied the Swedish manager.

The middle managers questioned why their frames were not taken into consideration, at the same time as they expressed a need for a main frame. After the remark about the content in the Business Academy, the CEO got up to set things straight:

- “We have many things that we can put in use into our everyday. Once again, our vision, mission, strategy, budget, financial goals and things like that. Decision processes and planning processes and marketing ideas. We can bring these down to lower organizational levels in the organization. And then there are things that we can’t take with us because we don’t have the vase in place. Issues concerning culture, leadership and things like that but we keep getting feedback and learning about needs here at the academy. We can’t just present ‘this is our culture, take it or leave it’ at this meeting but we come here to get feedback and test our ideas. If I don’t have an answer to a question you can help me find an answer, and feedback from this academy

perceived by some people as the leading troika, but this is not to say that they saw themselves in this way.
is input to the KL work. And furthermore, we are standing on different starting-points in the organizational units and it’s up to you as leaders to see if you are ready to implement things within your part of the organization and if so, how you should do this.”

Earlier, I mentioned that the Business Academy was a forum that the middle managers used to test ideas that they had. Here it seems as if the top manager also see the forum as an experiment to see what words and ideas are supported and to find out in what way one can find support for ones ideas.

The discussion above shows that the group is diverse, and that people have different functional belonging, educational backgrounds as well as level of educational attainment. And there are probably different levels of commitment among the people in the group due to individual life situations, but when the CEO spoke, it seemed as if the message was based on the foregone conclusion that all the managers were fully committed and that they had accepted the new strategic intent as more relevant than their previous way of working. But the new strategy was just a plan while the old way of working was empirically tested and accepted as valid.

The meeting comes to an end

The opinions from the middle managers all surfaced at the eleventh hour, but things had to be rounded up so the discussion was ended and the consultants were applauded. Then the HR managers informed the people present about some changes at the next meeting in September. One change was that the Polish top management group would attend the meeting. Up until now only two representatives from Poland had attended the meeting and they both spoke Swedish, and due to the growing size of the group the suggestion was to split the group in two, “but it won’t be big league and little league” said the KL manager and the troika would attend both meetings. There would also be a change of language, from Swedish to English. This change of language was necessary for the Polish group since they did not speak Swedish but it was positive for many of the Finnish managers as well, “some people have hoped that this would happen because they are stronger in English (than Swedish)”.

At the end of the meeting a production manager got a change to say some words about the coming long-term strategy meeting for the production project. The meeting would take place the next day at a nearby conference center and besides the production people, some people from marketing would attend the meeting to give input. The production manager said “well, now we’re through playing games” and then gave instructions for how to get to the conference center. Since at least half the group was going to attend the production meeting people were in no hurry and lingered in the room and I overheard a discussion when people tried to reach an understanding about what had been said during the last hour.
ACT II – REVIEWS

It was a good and a bad Meeting

When people gave reviews about the meeting the ratings were quite varied. “It was a really good meeting, just like the other ones we’ve had. The main thing for me is to promote cooperation within the group. The game we played was really well organized and interesting and the discussions that we had made the time very useful. It’s a really good game.” (Finnish production manager) But not all participants shared these overwhelmingly positive reactions and instead they made interpretations of what was going on behind the nice façade. “The problem with the business academy is that it’s so polite, which means that we’re not committed or honest. Probably people are scared, or at least not comfortable enough to say something. You should preferably just sit and smile and be nice and pleasant and good and blond (the last sentence is presented with a smile in an ironic way and with a reference to the core values).” (Swedish manager) These two quotes show how different the experience of the same meeting can be. Some people will attend the meeting with the attitude that what you see is what you get. Others will make interpretations of what the meeting is all about.

The competitive aspect was present during this meeting as well but was not as emphasized as it was the last meeting. A Swedish production manager said that “I think it’s very useful to play a game like this, to build in the competitive aspect. In whatever group you end up there are always competitive people which I think is fun. It also shows that the company wants to move forward.” (Swedish production manager). Others shared this positive attitude towards playing games and called it “playful feedback” (Finnish marketing manager) while a Finnish HR manager questioned if the game really had the potential to reach the goals, “if you compete on a subject like values, do you really achieve what you wanted?” The background to the critical opinion was that in the game people had adjusted their answers to what they thought were right based on the rules of the game, instead of working with their own values to see how they might improve as managers. Still, according to one manager, due to its special character the meeting in itself had the potential for changing perspectives and reformulating thoughts in interaction with others. “The meeting was an opportunity to talk about issues that are not normally openly debated in a company. When we got some space to discuss, it reformulated our thoughts. Especially hearing our colleagues opinions. That made us think and maybe it created some new perspectives that we hadn’t had before. If you go to a management group meeting it’s only business and market shares, investments, profits, returns, but at the academy you come with an open mind. It’s two different worlds.” (Finnish marketing manager).

As a forum for management development and integration, people probably entered the Business Academy meeting with other expectations than those they would have
in an ordinary business meeting. In the quote above the attitude towards the meeting is described as “you come with an open mind” in comparison to ordinary meetings. One reason for this could be that the managers are not quite sure about what to expect at the meeting and thus they have not delimited the possible interpretations of what they encounter. The meeting started with a presentation of what they should do and why, but the critical voices that were raised at the end of the meeting show that some of the managers did not accept the frames of the meeting. One reason for this was also suggested: that managers from diverse units felt that they were being forced into a shared mind-set, represented by a new management system chosen by the KL group, and that this new system overruled the systems related to the pre-merger frames.

Workshop reflections

The exercise when the managers moved between the signs on the walls, the seven levels, gave rise to reflections about differences within the management group. “It was a good discussion but we have different companies that are on different levels, so it’s not that easy to get a common view of the organizational culture. Also in Finland, we have the sales and the production company and they have different backgrounds and are on different stages (in development) and then we have Sweden and Finland. In Poland it is different from all other countries.” (Finnish production manager). These differences stretched the perspective from the individual sphere to including the group, from taking just one perspective to including the perspectives of others. “That was an exciting exercise and maybe I thought that we would be more alike than we were but that’s because you start with yourself and your own background and your own national culture. Then you meet other people in this exercise. Where they stand and if you’re alike or not. Now I don’t mean that everybody should be alike. Diversity gives new dimensions to things and it’s not sure that my frames are the right ones. And maybe we don’t need frames at all.” (Swedish sales manager).

One manager commented on the differences between female and male managers: “Since the groups consisted of both male and female managers, one thing that I noticed in the game was that sometimes we have to base our decision on feelings. Then it’s really valuable to listen to the ladies. The men were many times too focused on one-sided ideas but when we stopped and listened and discussed, we made different decisions. And we made the right decision. It’s of course about team work: we must listen before we make a decision.” (Finnish production manager). The role of the female managers is described as having other characteristics than the role of the male manager. I think the quote above is trying to express an idea that women are in touch with their feelings, and according to the production manager this gives a more nuanced analysis of the situation than the analysis made by the male managers that got stuck on one-sided ideas. When the plot is about softer issues, such as leadership and culture, the female managers are brought
forward as characters with emotional know-how and they can be allotted a significant role in the play. Although women were held up as a different kind of leader, I could not observe this difference at the meetings or in the interviews.

The meeting had an open climate, and especially the discussion guided by the consultant became very open. So open, that it even confused a few managers. “When we started the exercise I think a few of us felt that ‘okay, now we can doze off for a while’ but the consultant made our heads reel and particularly the part when we had to walk around the room was a really good exercise. We had very different point of views on things. And I was a little bit surprised that people dared to openly say what they thought. Ever since we started this cooperation I have experienced it as positive, but that is due to my situation since we work very well together with our Finnish colleagues, but I’ve heard about the tendency to hold on to the old way of working in both Sweden and Finland, and at the meeting people said “We don’t like the way you work in Finland. We would like to work more together”. I had heard about these barriers but now I got to see them live.” (Swedish production manager).

Leadership development

The exercise was an arena where real life subjects were brought into focus. The drama of everyday was the plot, the story about the dissonance between Finnish and Swedish managers. This meeting took place more than three years after the merger and, apart from the identity project meeting in the beginning, there had not been any discussions concerning the so called softer sides of leading the company, or as one manager called it, “the true leadership”. Even though many managers questioned why the subject had not been treated before, one manager said that the timing of the meeting wasn’t so bad after all since much of the tension between the organizations had disappeared. It was a welcome subject though, and the general opinion was that it was about time to take care of these questions. “I think it’s good to start with this kind of discussion about image and values and stuff like that. We have missed that and it’s good to start with it. ‘Who do we want to be?’” (Finnish production manager).

The only concern for the discussion about leadership was that it would be a one time experience, and not something that would actually be implemented in the company: “The meeting was an interesting opening for a discussion that I hope will continue. Everybody fears that it was a one-time experience but the subject is highly topical and we need to bring it into the operational and strategic work in the future. We had a very interesting and good discussion but that’s not enough.” (Finnish marketing manager). There were also different expectations about how they should work. While some managers expected a toolbox, others saw the meeting as input to individual growth as leaders. “The subject was interesting and we had good discussions in the groups, but afterwards someone criticized us for the
fact that people didn’t get a toolbox, and that gave a feeling that things were only half done. But I think this depends on the kind of person. You can’t serve people with the right answer since it’s about a process. When we talk about leadership there’s no right or wrong and we have to find a framework for what we think about leadership in this company. People who expect a manual for ‘How to lead the company’ are making things too simple. But this was one of the best academies so far.” (KL manager).

Managing leaders

Academic principles or practical guidelines?
One common explanation of how managers experience the Business Academy was if people had a background in the Finnish or in the Swedish organization. The Finnish organization was strongly connected to the academic world while the Swedish organization was described as more hands-on and practical. “I’ve always been very positive to these meetings. In the beginning, it was important to get to know the people. Now when we know each other, more or less, we should try to make things more concrete. We’re still just talking and having work shops and so on. But I have learned much, and I like the more academic elements. Maybe that’s a cultural difference between the Swedish and the Finnish side. Fazer have been more academic and had a lot of connections to the university world. In Ljungsbro they are more practical and they value that you know what to do instead of sitting and thinking about theories.” (Finnish production manager). However, as this quote shows, the division between Finnish or Swedish, academic or practical, was not that clear-cut. While asking for a way to make things more tangible in the operative business, this Finnish manager at the same time felt the need to emphasize the preference for academic learning. One idea for implementation of a shared leadership that was communicated by the CEO was the need for a common control system, but the idea had not yet full support by top management and could therefore not be presented: “I would like to give straight answers to what I mean with a strong leadership but I don’t want to spread alarm in the organization by saying something that’s not agreed on by owners and the board and the KL group. One issue is whether it’s leadership that controls the management structure or if it’s the other way around. My point of view is that it’s the management structure that controls leadership, but in Sweden it’s the other way around.” (CEO).

Positive attitude instead of formal control
The idea of creating one model for leadership in the organization was not seen as something positive by everyone. In the successful unit Konfektyr, one of the managers said that presenting a uniform control model for leaders would destroy the organization.

Manager: “In reality it’s a problem to control people. If I should tell the people here what to do I would pretty soon have an empty house. It would be
a disaster since people are used to working in another way. So that means that there will be differences, but is that a problem? No, that’s an opportunity.”

CB: “In what way is it an opportunity?”

Manager: “In every way. If we have an option to do something, someone will say ‘but nobody has done that before, there’s no business in that’ and another one will say ‘maybe we can make millions there’. It’s just about approach, and about not doing things the way we always do them.”

From a management perspective the positive approach could be one way to motivate people and get them to work according to the objectives, but this also includes a risk that people will perceive what is said as a way to hide what is really going on. And maybe it is easier for people with a background in marketing and sales to use (overly) positive words, since it is a natural part of their work to create an attractive image for the customer. “When we were asked where the company is today, I thought about joining the big group standing at the 12 % sign, but then I thought that one has to stay positive and show a positive attitude so I moved higher up, so to speak.” (Finnish marketing manager). To show a positive attitude towards the company could furthermore have the function of creating a positive image of the individual in relation to the organization. However, to use a positive vocabulary did not come natural to all managers. I talked to a production manager that almost spat out the word “possibility” about changes that needed to be done. This was not a way to show disagreement with the actions taken, but a result of being tired of using words that were flattering descriptions of actions that would have a negative impact on many employees. Then the positive vocabulary became a superficial manner rather than an expression for something positive in the organization.

Finnishness versus Swedishness
To open up and talk about leadership brought the discussion back to Finnish versus Swedish leadership, something that had been an issue from day one. The often used explanation of Swedish decision making as a slow and complicated process reappeared and the consultant’s joke about the Swedish army was especially appreciated among the Finnish managers: “It’s like the consultant said, the Swedish army is the only one that takes an order as a starting point for discussion. I’ve experienced that. You make a decision and then all of a sudden it’s not a decision but you’re supposed to dwell on it again.” (Finnish finance manager). Sometimes the Finnish – Swedish explanation came in relation to a totally different subject, such as the issue about whether it was compulsory to wear the kimono or not: “And then this directive came that we all should wear the kimono. I think that’s a personal issue whether one wants to dress in kimono or not, and if it should be with or without clothes underneath and what is the purpose with this? From the beginning it was
mentioned as a choice but then a mail arrived the week before the meeting that said that ‘we expect that everybody wears the kimono.’” (Swedish sales manager). A Finnish manager commented on this discussion and put in the broader context of cultural differences:

Manager: “I heard that the kimono had caused some discussion before the meeting. The purpose was that the group would get to know each other but then some people are cautious, especially when their boss is around. How you dress and socialize with top management might depend on cultural differences, and that affects how you act and dress. If the dress code is said to be causal at this meeting, this still means a tie to some people if their boss is around. We have these kinds of nuances, and although they were more pronounced in the beginning, you still see them.”

CB: “And in what culture do they still wear tie at a casual meeting?”

Manager: “I think it’s in Sweden. I don’t know if they are more hierarchical or what. Or maybe it’s national culture, I don’t know. And the way we communicate also shows differences. In Finland we have kind of a harsh humor.”

CB: “Have you often felt that your jokes failed?”

Manager: “Yes, and I’ve also heard that from others. You say something and they (Swedish people) can’t interpret it in the right way but hear only the words said. We fail to interpret each other. That’s due to cultural differences.”

The cultural aspect of communicating was one problem. Another was the use of Swedish as the group language. People from Finland that did not have Swedish as their mother tongue felt inferior to people who spoke Swedish fluently. According to the announcement at the end of the meeting the next time they would speak English at the Business Academy, and many managers saw this as positive. “When it comes to the change of language at the next meeting I think that it’s only fair, because for people in Finland that don’t have Swedish as their mother tongue it’s very difficult to try to explain what you really think. You feel handicapped because you cannot express things in the proper way. The next Business Academy will be more equal since we will all be using a foreign language. It’s some kind of democracy.” (Finnish speaking manager). Since all the managers in the company had another mother tongue than English, this was described as a democratic aspect, though the change of language would probably also mean a shift in power balance since the control of a language also seems to imply a possibility to control a situation. For Finnish managers with better English than Swedish, this would improve their chances to influence the conversational interaction.
Act III: Preaching a Vision for the Future
Sigtuna is the oldest town in Sweden, with a variety of picturesque buildings, runic stones and churches. The town greets me dressed in a cover of sparkling white snow and the sunlight hits my eyes when I drive carefully along the twisting roads. The conference center Ansgarsliden is found in the middle of the small town, up on a hill. While I am standing in the foyer both old and new friends show up. The number of participants has this time almost doubled. The idea that was presented at Hasseludden, to split the group in two, has not been realized and all managers got to attend the same meeting. People look happy and we begin with lunch. At my table, the conversation is about candy. People from the different factories have brought Christmas candy to the meeting, and a Swedish manager describes in a humorous way how they came to the exact number of Skumtomtar (a Santa Claus shaped candy) to bring to the meeting by employing an engineer for the calculation, and it sounds as if they have brought a truckload of candy.

With the inclusion of the Polish management group and also some additional managers from Finland and Sweden, there were about 70 managers attending the meeting in Sigtuna. The increased number of participants was not the only news at the Business Academy meeting on the 16th and 17th December 2003. The language had been changed from Swedish to English.

- “This is the first time that we are using the English language and I think it’s a challenge. I hope it won’t be a barrier or a hindrance but a challenge and I think that everybody should feel free to ask a question to discuss in your own language if you want to so that we can feel comfortable here in the seminar and please don’t feel that the language is a hindrance or a barrier for us. I think it’s really a challenge and it’s the same for me.” said the CEO.

Another change from the preceding two meetings was that there were no consultants involved this time. Instead the KL group ran the show. The meeting about leadership that had been planned to take place in September had been cancelled due to the development of a new strategy that demanded a new kind of leadership.

29 “The beautiful buildings at Ansgarsliden are situated close to the medieval city center (Sigtuna) and with a stunning view over the lake Mälaren. The charming buildings hold conference premises of high modern class with well-equipped conference rooms, comfortable hotel rooms and an excellent cuisine. In short, all the possibilities for carrying out a relaxed and efficient conference.” Text from a brochure (2003). In January 2004 the owners of Ansgarsliden, the Church of Sweden, shut down the conference activities at Ansgarsliden.
In September we were supposed to talk about leadership, but KL said that it was no idea to talk about leadership when we have developed a new strategy. It’s no idea to talk about leadership if you don’t have management in place.” Said a KL manager.

At this meeting the newly developed strategy was presented by the managers for each country and the functional managers, i.e. the KL group (see table 14). The instruction to the presenting managers had been to give a brief introduction to the current situation and to the long-term strategies but then to focus on key challenges and strategies for the coming year.

<table>
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<tr>
<th>Tuesday December 16</th>
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<tr>
<td>12.00-13.00  Lunch</td>
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<td>13.00-13.15 Opening</td>
<td>HR Manager KL</td>
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<td>13.15-14.30 Cloetta Fazer Group</td>
<td>CEO KL</td>
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<td>14.30-14.45 Coffee</td>
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<tr>
<td>14.45-15.45 Marketing</td>
<td>Marketing Manager KL</td>
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<tr>
<td>15.45-16.45 Sweden</td>
<td>Export Manager (stand-in)</td>
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<td>16.45-17.00 Break</td>
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<td>17.00-18.00 Finland/Travel</td>
<td>CEO Finland KL</td>
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<td>18.30- Christmas Evening including Dinner</td>
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<table>
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<tr>
<th>Wednesday December 17</th>
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<tr>
<td>08.30-09.30 Poland</td>
<td>CEO Poland KL</td>
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<tr>
<td>09.30-10.15 Purchasing</td>
<td>Purchase Manager</td>
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<td>10.15-10.30 Coffee</td>
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<tr>
<td>10.30-12.00 Production/Logistics</td>
<td>Production Manager KL</td>
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<td>12.00-13.00 Lunch</td>
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<tr>
<td>13.00-14.15 Human Resources/Communication</td>
<td>HR Manager KL</td>
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<td>14.15-14.30 Coffee</td>
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<tr>
<td>14.30-15.45 Finance/IT</td>
<td>Finance Manager KL</td>
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<tr>
<td>15.45-16.00 Summary and Next Step</td>
<td>CEO KL</td>
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- “We start with the CEO who will look at the group level, within a couple of minutes actually. Then we will have our two dimensions, the market area dimension and the process dimension (shows a slide with the organizational matrix). The king in our business is the consumer, and the process that knows about the consumer is of course marketing, so the marketing manager will start by presenting the situation in the marketing process. We start with that because it’s fundamental for our business, but then we go to our market areas. We start with Sweden, and then we’ll go to Finland and Travel Trade and that’s the end of the program for today. After that we’ll go and listen to some lovely Christmas music in the chapel. Tomorrow morning we will listen to Poland and then we go back to the process dimension again. We
start with a very heavy process and a very important one, production, and in connection to production we also take logistics and product development. After that we have purchasing and then human resources and communication. After that we will finish off with the finance and IT processes. So at four o’clock you have seen the whole picture.” said a KL manager.

After each presentation, the participants were expected to participate in a group discussion about the strategies described. Then the groups got to ask the speaker some questions. The presentations and the group discussions went according to plan, but when it came to the open discussion about the questions from the groups the timetable was too optimistic. Only some of the groups got to ask their questions. During the group discussions, they worked in groups based on process membership on the first day, and the next day the groups were a mix between people from different functional areas. Thus, when the presentations were about market areas, the groups were a mix of people from the same process. When the presentations were about processes, the people in the groups were a mix of people from different functional areas.

When the presentations and discussions were over on the first day, we gathered in the church to listen to some Christmas carols. After that glögg (hot wine punch) was served outside the restaurant. Even though it took some time to move all 70 people from the church, to the drink outside and then to the restaurant, it went quite smoothly. The seating at the tables in the restaurant was free and there was a mix of people at most tables, with some exceptions. At one table people who preferred to speak Finnish sat and the Polish managers sat at a table in the middle of the room. Before people got to enjoy the Christmas smorgasbord, the CEO held a speech. The Polish management group had brought booklets with Polish Christmas carols and when the dinner was over they started to sing. This was followed by people at the other tables that started to sing Finnish, Swedish and English songs. This spontaneous song contest continued in a more organized form when we all moved to the parlor for coffee. The CEO had hired a troubadour that organized a song contest and each of the four long tables in the room was called a team. The questions were about music and the teams could get scores for answering the questions but also for creative performances. One example when a score was delivered for creativity was when the (sober) product development manager danced on the table while the team stood up singing a song. It was a merry atmosphere and the next day I heard that the party had continued in some smaller informal groups late in the night. The singing during the dinner and music contest was mentioned on several occasions the next day and this kind of social activity seemed to be much appreciated.

On a general level, the meeting rolled along in three beats, first came the presentations, then the group discussions and finally the open discussion when the presenter got some questions and comments from the groups. All the KL managers, with some assistance from managers for special areas within the processes, got to
present the current state together with their strategies for the following year. Then they had some questions to guide the group discussion. Firstly, we will take a look at the content of the presentations, and then some issues raised in the discussion will follow.

THE NEW STRATEGIC INTENT

From strategic plan to operational business activities on the three markets

A combination of long-term and short-term perspectives

The main purpose of the meeting was to present the strategies developed and how they would be implemented during the next year, 2004, and to get feedback from the management group.

- “Why are we doing this then? Well, usually in companies it is very nice to do the strategic planning, but then companies forget that we’ll have to deliver the results every year. That’s why we decided when we planned this meeting that we really want to focus on the next year because we have so many challenges and we have this complex organization with the processes that are working in the process dimension and then we are working in the country dimension. There’s always a conflict between these because the process tends to look at the business two years ahead, three years ahead, and then the country organization want to deliver results every year. We have to have a good balance between the long-term and short-term.” said a KL manager.

The CEO started by giving an overall perspective, and talking about the problems with implementation that they had encountered. One problematic gap was in the relation between the budget and the strategy process.

- “The strategic process, I would like to say that it’s not a different process than the budget process. They have to be linked to each other. That’s a challenge for us in the future to link the strategic process and the budget process closer, because (today) the budget is only a reflection in figures of the strategic process. Now we feel that it’s a totally different process. We start very early in the beginning of the year with the strategic process and we’ll make a presentation to the board of the Cloetta Fazer the first time in June and the next time in August and after that it’s a totally new world that start with the budget process and that’s something that maybe the management group for Cloetta Fazer, that we really have to work on because they are not totally different processes. They are very much linked to each other. And we think we can’t see them separated because then we can ask ‘what is the strategic intent’, and ‘what is the meaning with the strategic
process if you can’t move over that to operations in the budget and market set ups and operation plans for next year.” said the CEO.

In order to face the challenges on a market with continuous consolidation and an increased level of private labels, the main strategic directive from the CEO was to increase the focus on the company brands. Having said this, the CEO then went on to present financial figures for the company’s net sales, operating profits and margins from 1998 up until the budget for 2004. For example, the target of 12% margin was mentioned as a good example of performance but also as a future challenge. In order to meet this challenge, the company would follow a *Home Market Strategy*. That meant a focus on the home markets, Finland and Sweden, and the other markets were labeled export markets.

**The role of Poland**

There were some markets that had not yet been labeled, such as the markets in Poland, Denmark and Norway, but the criteria to be called a home market was “to be one of the three biggest players in market share, good profitability, strong brands, own organization, so that we can be in the driver’s seat”. Another definition that was mentioned was if a market made a larger contribution to the total business than the resources used on that market. The figures for Poland showed weak market shares, decreasing volumes and negative results. This, in combination with the so called *Home Market Strategy*, to strengthen the position and secure growth in Finland and Sweden, could be a signal to the Polish managers that they did not really belong in the company. On the other hand, there was a strong desire to make a turnaround in Poland:

- “We are using time in the management group to find a solution in Poland and we have to be very active there. We can’t sit and wait because we are losing money in Poland. We have to be active and we have to strengthen our position and these are the three ways we are looking at, on merger and acquisitions, cooperation with international players and distribution through local players. And when Poland will join the EU in May 2004 it means a new opportunity for our production set-up in Poland.” said the CEO.

That Poland was to become a member of the EU was seen as a great possibility for the company.

- “I would really like to say to the Polish people who are here that we feel that Poland is not a separate business from the rest of Cloetta Fazer. You are a part of the whole Cloetta Fazer. Especially from May 2004.” said the CEO.

The KL group talked about the organization as being one, but Poland was not seen as a full member of this organization. This was expressed by saying that they were not separate from the others, but if they really were not seen as *the other* there
would be no need to say this. The inclusion of Poland was conditioned to the EU membership, “especially from May 2004”, when the expectations were that they could make a financial contribution to the business as a whole. Thus, to be part of the idea of one company they had to make a financial contribution. Poland at this stage was the joker in the pack, and as the drama continues we will find out whether Poland will turn out to be a good guy or a bad guy.

In the presentation of Poland, the future possibilities were central. The Polish market consists of about 40 million people and Poland has the potential to become one of Europe’s biggest markets. The market share in Poland was 2 % (compared to international companies such as Nestlé/Goplana who had 13 %, Kraft/Stollwerck 16 % and Cadbury/ Wedel/Piasten/Leaf 21 %). The figures for Poland had stagnated at minus results but in the budget for 2004 they aimed for better figures for volumes, brand awareness and market share. The EU membership would allow them to increase prices and to move up to a ± 0 result for 2004. The way to reach this goal was by commitment, matrix cooperation, a holistic view of the business, well-defined responsibilities between market and group and through hard work. Pleas for help was also made: “Please remember that we have not offered the Polish market new products for a long time now.”

**Change management in Finland**

On the Finnish market, the local unit had a totally different position and this was also reflected in the presentation of Finland, or more precisely of Cloetta Fazer Confectionery (the sales company). Confectionery had very successfully worked with change management and had been acknowledged for this outside the company. Their starting-point had been similar to the present situation for the whole Cloetta Fazer: “with stagnation and need for growth and the way they chose to work was with a learning organization. They have been successful on market share and volumes and also awarded for best workplace.” (Finnish sales manager)

When talking to the managers in the company I noticed a tendency for “not invented here” behavior. People were unwilling to look at or to talk about Confectionery as an example of the business and from the Confectionery side, they felt that they had the solution to the problem but that people did not want to listen to them. In the presentation, some challenges were pointed to, such as working with Efficient Consumer Response (ECR) practices, change management, continuous improvement, cooperation, and innovative thinking by working with products that are “out of the box”. Some more hands-on areas to work with were mentioned: Key Account Management and Field Sales Organization, partnership with Wrigley, space management, the expanding EU, price harmonization, private label policy and cost efficiency.
Ambitions for growth in Sweden

The presentation from Sweden was given an extra boost from the HR manager in charge, who said it was going to be something extra. The reason was that they had very aggressive growth targets, and the vision for 2008 was to achieve a market share of 30% (from current 24%, based on the Delfi measures) and a profit margin of 14%. Instead of challenges, some threats for achieving growth were presented: “organization for integration” (stuck in a mind-set that is too much integration oriented), price pressures, less space for brands due to private labels, assortment rationalization/reduction and limited financial resources for consumer-oriented activities. One important difference in the Swedish presentation compared to the other presentation at the meeting was that they emphasized the change of mindset, from integration to innovation. The targets for this work were:

- To go from an “organization for integration” to “organization for growth”
- To handle a price-pressure of 5% (45 MSEK) in retail (DVH) while maintaining profitability
- To generate a profit margin of 14% - also during a process of change
- To keep satisfactory space at point-of-sales for the 10 biggest brands, still considering the expansion of Private label/retailers brands
- To manage the rationalization/reduction of assortment without losing profit
- + 6000 tons of pre-packed confectionery
- Selling with the help of “new tools”, media – advertising

The manager presenting stated that: “Marketing and sales have to work together.” And then a slide with projects aimed to achieve this was shown. The whole plan was called P-30 and during 2004 8 projects would be implemented. After the presentation, a KL manager said: “As they say in Swedish, det här var ord och inga visor” and then he tried to translate this into English by saying “that was words and no nice songs” which made some people laugh. “Very ambitious program, but it needs a winning team. We are 12 tables and I can assure you that all processes will be involved in this kind of project because that’s ambitious, plus 6000 tons.”

From strategic planning to operational business activities in the processes

Striving for oneness

In the presentations from the processes (functional areas), they talked about being one in different ways. When using words such as structure, specialization, focus, harmonization, centralization, overall level, etc., they seemed to refer to a process of homogenization. The marketing manager related the way they organized to the notion of one: “one marketing organization delivering relevant and cost effective marketing (emergence of Nordic customers and new channels)”. A presentation of prioritized brands was made and the work with structuring the remaining brand portfolio was central for the next year. In production, the notion of one organization was expressed in the long-term plan, and the main idea was to work as one
production organization, which meant specialization of the production units. Instead of manufacturing different kinds of candy, the factories would focus on a special area. On a general level, this meant that Vanda was the chocolate factory, Ljungsbro the Kexchoklad factory, Villmanstrand the sugar confectionery factory, Norrköping the Polly factory and Gdansk the Dumle factory. The production manager talked about different roles for the production units, and also had some concrete activities to fulfill the vision of making one production organization, such as talking about what lines they would move between the factories and how they would make investments during the coming years.

On an overall organizational level, one also meant cooperation between different areas in the company. Even though all the processes were illustrated in the same way in the organizational matrix chart, it was clearly expressed during the meeting that HR, Finance and IT are support functions to the business. Thus, the support functions were expected to work for the creation of one overall organization, but they also used the notion of one within their separate organizations. In HR, there were several issues that were common to all the countries, such as talent management, competence management, a reward system, communication strategy, etc. Communication was quite a new area in HR. The strategic communications group began in July 2003 with the objective “to obtain an integrated, proactive communication internally and externally” and to support the company in achieving the goals, vision and strategies. The communication process also has some desired messages: 1) CF’s mission is to create fun and enjoyment, 2) The biggest asset in CF is our strong brands, and 3) As ONE company CF gains many benefits.

Financial standardization to fit external and internal demands

In the finance process, the need for one way of working was natural since they were used to make adjustments to international accounting standards and national legal systems. One of the ongoing projects was adjustment to International Accounting Standards (IAS).

- “Of course we have to harmonize the way we collect data from different units and have a harmonized system when we consolidate figures from the whole group and you can say that maybe the accounting process is the easiest one to harmonize because we are forced to harmonize it, it’s not a choice, because of legislations, tax regulations, accounting standards and so on.” said a KL Manager.

Besides the external demands on harmonization, the finance department also aimed to achieve internal consistency:

- “We have of course to see to that we don’t report different figures in the units in the structure and another result for the whole group if we
consolidate it. So that’s maybe the main task for accounting, to see that we have the same figures, on the top level anyway.” said a KL manager

To bring things together, finance had some centralized projects, like an internal bank, a planning process involving strategy, activities and budget, implementation of the scorecard, and the harmonization of internal ABC calculations of transfer prices in production. These efforts to work on a central level created a need to integrate other parts of the company.

- “We have been working with these ABC calculation methods mainly within the finance and controller group and we very early saw that this is a much bigger project, involving all of the processes and units as well. We can not start reconstructing the whole company from one process so we need the help from you and we have only made some major corrective actions to the ABC calculation metrics that we have in our factories and we see that there is a need to harmonize a lot more and that would be one of the future projects that the production manager also mentioned on his task list. What we on the other hand have been focusing more on is to develop a more effective ranking tool for the assortment projects and process and we can see that we currently use an ABC ranking tool that is not wide enough. It’s only taking into account the financial perspective from the sales company unit view, not from the global company view.” said a KL manager.

In addition to this, the finance manager wanted to stress some kind of “project oriented mind-set, and by that I mean that we have to have more cooperation between the processes”, “It’s a way of tightening up or decrease the gap between the strategies we have and the activities that are driven on a local basis or in a separate process”. One reason that it was so important to create a shared mind-set was that it could be a way to bridge the gap between strategy and operative activities.

- “We have seen, this year but also last year, that we have a gap and we have talked about that many times, between long-term strategies and short-term activities and what we call budget. Many people seem to believe that the budget process is what we do when we try to put figures on your activities. In my way of thinking the budget process starts with the strategy work we do in maybe February and March every year when we discuss and plan activities almost during the whole year around, the whole year. And then we’re trying to express the activities we have talked about in figures and many people think that that’s the budget process. What we have seen when we are trying to put figures on all the activities is that the activities are not expressed well enough in order to put figures on them. Then the budget process goes back to just trying to fill in some reports, come up with a profit and loss account, show a 12 % margin and we seem to have some lack of understanding of what the budget process is about maybe. Anyway, we can
see that the planned activities are not possible to translate into figures. And we believe that we together can be better on that.” said a KL manager.

The financial managers then clarified that the margin of 12 % was a goal set at group level and that there were large differences between the countries for next year’s budget: in “Sweden we have today 15 % EBIT or margin, in Finland also about 15 %, the travel business is about 12, Norway is minus 2, Denmark is minus 8, Poland is about minus 1”. And after this the financial manager added that the main thing was not the goal but the activities to get to the goal: “In my view of thinking we should start with the activities instead of seeing 12 % as an obstacle, but I know that this is a never ending story”. Some people laughed at the comment about a never ending story and someone said “it’s a challenge”. To call things a challenge (possibility, opportunity) was common in the organization. Here the managers joked about it, which showed awareness of the concept challenge as some kind of buzzword.

Included in the finance presentation was a short presentation of the IT department and how they worked. The IT manager was a consultant, but they were in the recruiting process to find a CIO manager that would be in charge of IT on a central level. Some activities in IT for the next year were a harmonization of the HR system, invoice handling, security policy on a central level, etc. The idea of one also became apparent in the IT presentation: “Regarding the intentions we see that the IT process can enable and fulfill the creation of one company”. The way IT would do this was by creating an information decision tool, help others with process improvements and create a good infrastructure.

Purchasing as the role model for being one

One is mentioned above as the notion of working between units in the organization, the notion of the centralization of functions, the notion of working in a unified way within the units, and the notion of homogenization as the ideal for goal setting. In addition to this, the purchasing unit was held up as an example of how to work by the CEO and also from the HR department. HR worked with purchasing in a pilot project concerning competence management. Purchasing was introduced as the star of the show, and it was understood that the manuscript should be written to fit the acting of the star. The purchasing manager explained the position of the unit by stating that “purchasing people understand that they have to cooperate” and that this is the only way to reach good results: “We are working as a real matrix where even Poland is included as a real member”. A presentation was made of the results in purchasing to date (see table 15).

<table>
<thead>
<tr>
<th>Integration and becoming “ONE”</th>
</tr>
</thead>
<tbody>
<tr>
<td>- In general integration can be evaluated as successful, but rather slow</td>
</tr>
<tr>
<td>- Common purchasing polices, goals and strategies have been created – implementation can take place in 01/2004</td>
</tr>
</tbody>
</table>
“Easy opportunities and synergies” achieved – the more difficult ones still to complete

**Processes and key figures**
- Decision processes and management model agreed and defined – will start from beginning of 2004
- Common key figures agreed and reported monthly

**Organization, work allocation & competences**
- Overall organization finally in place. New purchasing manager in Sweden has been appointed
- Material group responsibilities re-allocated
- Poland included as “full member”
Much work on defining competence development needs and tools
- Motivation seems to be high, willingness to become “ONE” is obvious

**Major projects**
- Data warehouse project started in order to provide common CF purchasing information - > ready in March 2004
- Comprehensive competence development project made. Competence gaps analyzed and defined

Table 15. Achievements in purchasing from presentation at the meeting.

Then some areas to be focused on the next year were presented (see table 16).

### Strategies and Focus Areas

<table>
<thead>
<tr>
<th>Create ONE Cloetta Fazer Purchasing Organization</th>
<th>(a crucial step according to the purchasing manager) – Meet regularly, establish common culture. Gather and provide common information platform for decision making.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base decisions on total Cloetta Fazer view</strong></td>
<td>- Plan, establish and implement systematic and structured decision processes for most critical decisions. Create “Cloetta Fazer Purchasing Manual”</td>
</tr>
<tr>
<td><strong>Negotiate combined volumes</strong></td>
<td>- Create material group strategies, optimize amount of suppliers. Harmonize specifications. Be involved in indirect purchases (goods &amp; services etc.) (indirect purchases is an area with huge potential according to the purchasing manager)</td>
</tr>
<tr>
<td><strong>Measure purchasing activities</strong></td>
<td>- Follow your progress with transparent indicators. Contribute to Cloetta Fazer Business Score Card.</td>
</tr>
<tr>
<td><strong>Integrate your suppliers</strong></td>
<td>- Establish consignment Stock &amp; CMI-systems Start systematic collaboration with main vendors, but keep our independence. Improve your knowledge of ECR. (ECR is called a common language that can be used with their suppliers)</td>
</tr>
<tr>
<td><strong>Improve your internal processes</strong></td>
<td>- Involve in internal processes as for instance PD-process. Be innovative, open to change and take maximum use of IT-tools.</td>
</tr>
</tbody>
</table>

Table 16. Strategies and focus areas in purchasing from presentation at the meeting.
To succeed with these strategies a critical success factor was to have skilled and motivated personnel. This was specified as the ability to “create a good atmosphere in department, behave according to company core values, measure employees’ satisfaction and motivation, and develop your competences”. In addition people were asked to be “open, smile and help your colleagues”. The purchasing manager saw a possibility to move into new areas. At the time, the purchasing department was involved only in buying packaging and raw material but the purchasing manager estimated a 50 % increase in value creation if they would move into the area of goods and services.

In the competence management project, purchasing was the pilot project, and they had first made a thorough competence mapping in the purchasing organization with surveys and analysis of present level, needs and how to develop to be able to meet these needs. Then they had defined the different roles and responsibilities related to a long-term or short-term focus and an overall or operative focus. The material was presented on a detailed level, and each individual in purchasing was mapped. The heading when presenting the roles in purchasing was “working as ONE – the roles”. Compared to other presentations the purchasing organization had really gone into detail about their way of working and they had at the same time the strongest focus on working as one. But this was only one of the units in the company, and the KL group wanted all parts of the organization to work as one. To do this, an emphasis was put on the matrix organization once again.

The Matrix Team

A new set-up

To work with the strategic intent during 2004, the organizational set-up had been changed, and a market area called International had been added in the matrix (see figure 8). The CEO showed a six-step model, from a purely functional organization to purely process organization, and the conclusion was that the set-up for the company was a combination of function and process.

- “In a matrix process, I would say that maybe this could be our goal, to have a clear set-up both with the processes and responsibilities and I would say that we have to have very clear rules and know exactly who is responsible for the results and everything.” said the CEO.
There was a text at the bottom of the slide saying: “Roles, responsibilities and capabilities will need to be defined and they need to match the desired state of process management”. The managers were asked to show high commitment and enthusiasm, ability to have a global view, innovative approach and long-term perspective, but at the same time local view, high profit orientation and short-term perspective, to always have the core values in mind and to always communicate.

- “I must say that all of you 70 people here, you have to be committed to these things. It’s really a question about commitment. That’s the most important thing. We can make rules, we can describe exactly what you have to do, we can have board meetings, and everything but the most important thing is the commitment from you. If you are not committed to these things we will not be successful business. It’s up to you. It’s up to each (one) of us. And I really hope that you understand and will take the responsibility. It’s not a question about rules and meetings and processes, to describe them in detail. It’s a mental set-up that you have to be committed to. If you don’t like this system, I recommend you not to take part in the next Business Academy. I will invite you all to do that but if you feel that it’s not my way to work, please feel free to stay out from the next Business Academy. I will be very, very clear with these things. There is no solution or alternatives or something like that. This is the way how we will operate and it’s up to you to accept or not, but I will not discuss any alternatives to this. I really hope that you understand that. But I hope that everybody will be on board but it’s up to you. Good. Communication is one thing that is really important, because without communication we will not succeed in this. All the time communicate, because there are a lot of opportunities for misunderstandings.” said the CEO.
In the presentations from the functional managers, the notion of teaming up in the matrix structure was echoed, “I would like that all of you see yourself as marketers”. This is a very complex issue and that's why we all have to be involved in this process, to become marketers, to really start selling our brands”. (KL manager) To succeed as a brand company, the managers were encouraged to think in terms of marketing in all areas, but marketing was not the only process asking the audience to shift from specialist manager in a field and instead to take the perspective of a general manager. Were they being asked to step in and do the job for other departments or was it an indication that managing is teamwork? Apart from the shift of responsibility, the theme of the play was changed. At this meeting the theme went from leadership to management.

- “What we are speaking about on a KL level, don’t seem to have an influence on the local level. We feel that there’s a gap. Either (because) of misunderstandings or commitment or what it is. So what we have decided now is really to increase the transparency by a two way communication and one reason is also to save time and be more effective, promote cross processes and between central and local units. There is a gap and we have to find it and that’s something that will change.” said the CEO.

A new system for operational issues
The solution to the problem was the starting up of a series of meetings called the management board, where operational questions would be discussed. This new forum would start in 2004 and the goal was to 1) to secure an efficient cooperation between local management and KL (Group Management), 2) to increase transparency by two-way communication, and 3) to save time and work more effectively both across processes and between central and local units. The meeting would take place once a month on the home markets and the participants would be the CEO and process owners from a central level and the local management.

- “Then we have a real opportunity to start communication, if there are some misunderstandings, to implement from KL level to local level. Because we feel that for example in the strategic process and the budget process we haven’t communicated, we haven’t used the same language. We have different figures and different language and that’s something that we’re going to secure for 2004. I would also say that 2004 in general, not only for Cloetta Fazer, will be a lot of hands on management.” said the CEO.

In the middle of the meeting, the HR manager reminded the audience of the shift from leadership to management. The managers in the KL group had “noticed that we should not put too much effort on leadership before we have management in place”. Management was presented as something working on a more basic level than leadership. While leadership was about individual development, management
seemed to be about the design of a control system. The downside of leadership was exemplified by others’ mistakes: “Some companies put 80 % of their resources on leadership trying to train people in situational leadership and all kinds of fancy stuff but they don’t have management in place, but actually, the more effort you put on management, the less problems you have with leadership” (KL manager). There was also an awareness that the managers might disapprove of this, “some of you won’t like this”, the HR manager stated a personal preferences, "of course we HR people we love leadership”, but it was not an issue for discussion and “this is something that is maybe good for you to know”.

**Hands-on management**

At the end of the two days, the need to work with hands-on management once again became the topic. The logic of the company was the logic of a listed company: “we can say that we work according to quarter capitalism”. This led to the question about the combination of increased growth and increased profit: “can we at the same time have market growth and also profit growth?”. In order to solve this problem, one key was to look at reaching growth through consolidation and mergers and acquisitions since there was no organic growth on the market, and another key was to be in “the driver’s seat”.

- “How we will take the next step to reduce the gaps is really more hands-on-management, and I will use the word management, not leadership. I prefer to use the word management, not leadership, because I feel that with management you will have a structure, a process, we will put more or less everything in place, you will create a platform for a successful business, successful leadership, and so we have to start with the hands-on management and for us and for me it means that we will start with the management board. I think that’s very, very important. There we have to take the operative questions like how shall we handle private label in the future? How can we build up a good communication platform? I feel that we have to involve local people. It can’t be a top management issue. Everybody has to be committed, especially on the middle management and even lower in the organization and we have to find answers and solve these things.” said the CEO.

One might think that the hands-on management could be about having detailed action plans and instructions for how to work in the organization, and this was what purchasing had done and the reason that they were presented as a good example for how to work. At the same time, the CEO rejected the idea of rules concerning work-life balance and stated that “I don’t believe in any regulations or rules from the HR team of managers, that they say “these are our rules and regulations in the company” but as managers we have the responsibility for the organization, that’s something each one of us has to know.” When it came to talking about rules, there seemed to be a conflict. The expressed need for regulations from a control point of
view contradicted talking about behavior rules, since the latter went against the idea of people being responsible for their own work. The actors are told that they can improvise and interpret their character and the play, but at the same time they are supposed to follow the directions from the KL group.

GROUP DISCUSSIONS ABOUT LOCAL DIVERSITY

Different country, different price

The presentations were performed as lectures about the new strategies. Then the managers needed to connect to the audience since a main problem was the gap between strategic and operative activities. This was done at the end of each presentation by posing questions or proposing issues for discussion. Even though the managers had a variety of questions, there were some issues that came to the fore during the group work. The notion of being one organization was presented as something quite unproblematic by the KL managers, even though they recognized that the organization had not achieved this yet. The issues raised by the groups during the session for discussion gave some clues as to why parts of the organization did not feel as one. Questions about local versus central and questions concerning competition between the countries were issues characterized by tension.

When it came to the interaction between countries, one question concerned price harmonization: “what we discussed is actually if decisions should be made at the expense of either country or organization because whichever way we take the decision, if it’s to lower on one market and increase on the other, it’s usually in conflict with local targets or local results so maybe this is postponed and this has to end and how should it really be done?”. Price setting was not something that the KL group had made a strategic decision about: “there is no general rule from the KL that we have to do it this or this way”. One effect of different prices between the countries was that the sales organization, mainly the one in Sweden, had major problems with parallel import of Dumle: “How should we handle the Dumle parallel import, today and in the future”. According to the marketing manager, it had been easier if it had been another product, and parallel import of Polly to Finland was used as an example. The Polly case would have been solved by just raising the prices: “If it had been Polly you can just raise the price in Finland but the Dumle question is more complicated”, but Dumle is presented as a special case. One manager from Poland suggested that a first step for the company would be to eliminate the differences between the countries. Although Poland has most to gain from such a change, the question also supported the idea of being one organization. Interestingly, the answer was that there was no need at all to do this and that every country should work at their own pace. The message from KL was that it could be “dangerous to think that they can all be on the same level because the circumstances and business development are so different and in different phases since in
Finland they are market leader and have to drive the business compared to Poland”.

No private labels

A Polish manager suggested that the Polish factory could be used to produce private labels, but this got strong opposition: “We are not a private label company, we are a brand company, that’s our future, we will never be strong in private label, there are companies in Europe that have specialized in private labels, we will not compete with them, we will not have that mindset, we shall be a brand company”. People working on a country level seemed to think in competitive terms rather than working towards being one organization. One example of this was the aggressive targets set by the Swedish organization. And the tough goals set in Sweden were actually supported by one of the KL managers.

- “I think this is very fresh and visionary and of course we can all argue whether we can reach a 30 % share. In a few years the ones who survive will be a lot stronger, we should be one of them. This is not about 30 %, but about having the mindset of a winner, and if you have that mindset I will be sure that we protect the business we have, but if we have the mindset of protecting I’m sure that our share will be declining from now. The market will squeeze the losers and give opportunities for the winners. It’s important to have a winning attitude.” said a KL manager.

With regard to the reactions to the questions related to a country perspective, there did not seem to be the same glorification of the notion of one organization. And at the meeting, the country organizations received an unspoken message that competition, even between organizational units as with the parallel import case, was the preferred mode of acting. This meant that in one way they worked independently, but in another way they had to fulfill the goals set by the group.

12 % gross margin percentage

In practice there had been confusion about the goals within the organization: “process targets usually differ from geographic targets”. One target that they all shared, though, was the 12 % margin. The level of 12 % was discussed and the managers agreed that it was too high on a market with no growth, and implicitly they talked about the need for another merger or acquisition even though these words were never used. 12 % was “a challenge” and “at the moment 12 % is too high for us in this business, in the set-up that we have at the moment. We can reach it in another set-up but right now it’s very hard in a long-term perspective”. On the other hand, being financially strong was also a prerequisite for being able to control a merger process: “one very important reason to be profitable is that if we should grow by acquiring a company or make a merger with some other companies. Then
it’s very essential to be strong when you go into this kind of discussions. The best position you can be in is that if you are profitable”. Having a 12 % goal for the margin seemed to be related to a future merger in some way, but it already had effects on the organization: “in reality they often kill some market activities to reach the financial target”. This contradicted the idea of achieving both financial and market goals, and while the KL managers acknowledged this, they did not give any hands-on suggestions for how to handle this problem.

Tensions in the matrix

Some other issues of local versus central character were mentioned, like the brand portfolio on the central level versus the one on a local level. On a local level, they had brands that did not disappear even though they did not get a budget and the local managers questioned if “the needs were really taken care of?” Even though the local managers tried to make their voices heard, the central perspective seemed to have overriding rights of interpretation. The argument of taking an overall perspective was a legitimized way to say that the processes were on a higher hierarchical level than the country organizations: “you are looking at it from a local point of view, while in purchasing we are looking at it from a company point of view. We should all the time look at the whole picture”. (Functional manager). The matrix organization was used to illustrate cooperation, but at the same time, it was used as an argument for the centralization of functions.

One solution presented for working towards integration in the matrix organization was to be innovative and to work in projects. To be innovative was similar to the core value dynamic, but the managers talked about innovative capability as something they would like to have, not something that they already had: “We need an innovative culture.” The CEO said that innovation could be hard in a company with a strong focus on results, “I don’t feel that we are a very innovative company, starting with myself I would say because I don’t feel that I’m an innovative person, innovativeness is a challenge for the business, with its focus on results. Do we have room for a lot of innovations and new ideas in our situation with no growth, market pressure and every third month we have to come to the stock market and give feedback to them on how we have succeeded during the last three months?”, but at the same time a project to work with a new concept for snacks was spotlighted as an innovative example in the organization.

Due to limited time only a few topics were discussed after each presentation. People got a form to write comments on during the discussions at the meeting. This form could have been one way to collect all comments from all groups but it was not used as feedback by the organizers afterwards.
HOW TO GET PEOPLE TO SING ALONG

The singing after the dinner, both the spontaneous singing at the dinner table and the arranged music contest afterwards, seemed much appreciated by the academy members. When it was time to end the meeting the CEO came back to this:

- “If I take the company, for the company the brands are the best thing that we have in the company. For me, as a colleague to you people, you individuals are the best one. That’s something that I appreciate (looks at the crowd with a delighted look on his face). I was also very impressed with the troubadour yesterday. He was fantastic. And also the audience. It’s difficult for me to understand that everybody stood up and sang Delila and did like this (wave back and forth) and you did everything that he said. I don’t know if he has the management structure in place or leadership or what’s the reason but you did everything that he said. Could the team leader in our winning team please stand up and come in the front of this team here and then I would make a proposal that everybody could stand up and sing *I wish you a merry Christmas.*”

Then everybody stood up and sang some Christmas songs before the meeting was ended.
ACT III – REVIEWS

Setting the route

One major part of the meeting was the presentations made by the KL group. The general impression from the audience was that the presentations were well performed, with some variations depending on the presentations skills of the managers, and that it was a good idea to present this material to a larger group of managers at the same time so that they all got first hand information. The presentation from the Swedish organization had an aggressive growth plan, and this was talked about as “hard to live up to but a great attitude” (Finnish marketing manager). All the presentations contained a massive amount of information and some even thought that there was too much information. “One wants to talk about everything, bring out every argument and that makes you main message drown, and that’s my general opinion about the presentations. Maybe it’s because one doesn’t know what the main message is?” (Finnish HR manager).

Another problem with the presentations was that they still had too much focus on long-term issues, even though the purpose was to concentrate on short-term activities. “I think that everybody’s presentations about future projects and view on what to do might be a little bit too advanced. A little bit too much high-fly. You can buy that if you get the presentations one and one, but when they all come in a row you get scared and think “how the hell are we going to get this together?” It’s too much. The vision for the meeting actually was to be very concrete, to talk about 2004 and identify what we want to do this year to take a step further. Unfortunately there is still too much interest in discussing long-term objectives. We have been doing that for so long now and we were to talk about 2004 and we didn’t do that enough so no we run the risk of just another year passing by. This is critique on all presentations. It’s hard to move from the strategic discussion, which is fun and interesting, to more concrete action plans for what to do next.” (KL manager). “It’s always exiting to talk about these strategic things. Everybody wants to do that. It’s considered much smarter to talk about theses strategic issues. Strategic issues are always fuzzy. But I say that you don’t get the Nobel Prize for setting a strategy, you get the Nobel Prize if you can implement things.” (CEO).

All onboard the enterprise?

Some managers appreciated the straightforward comments from the CEO during the meeting on how to think and act within the organization: “To be honest I think that the CEO was damn good. He was even overly clear on some issues and it’s good that he puts his foot down. That’s what I think.” (Swedish production manager). The emphasis on the organization as a brand company was perceived in a positive way even though some managers saw this as a statement that could be used
as an argument for some groups in the organizational political game. “To guard our brands, that’s nothing new and we all agree on that, but when it comes to private label and how to use our overcapacity we have started a dialogue on how to work with private label but it got very clear that we shouldn’t do that. I don’t recognize this way to talk about it. And there are forces in the company that don’t want to touch these issues at all, while other forces are trying to look at the finances in total.” (Swedish production manager).

One way to interpret the desire to create a shared view was to see it as an argument for the centralization of functions within the organization, something that was positive from a process leader point of view but perceived as counterproductive from a local point of view. “I’m quite tired of how this company is being led and up until now I have been able to say “let’s play by the rules” but we have done it quite independent in Finland but in the future I see that we will have more and more things in common and I get tired of this. Instead we should get good management and leadership in place.” (Finnish sales manager).

The presentation also gave the audience information on how to interpret individual managers and their view of the business: “It was interesting how these KL managers formulated their thoughts and ideas about the future.” (Swedish finance manager) “It’s important to know how the management team thinks, what’s up and what’s prioritized in order for everybody to pull in the same direction and think about the whole.” (Swedish finance manager) “I know quite a lot about this but it’s also a good way to see how people talk about it. You can read something but if someone tells you about it and shows how they are thinking it’s always better. Not just read about it in a book.” (Finnish production manager).

Group work

The group discussion was presented as a way to get input from the people attending the meeting, but the focus was on the presentations when the audience was passively listening and the feedback from the group discussion only gave room for a few comments due to time restrictions. Most people at the meeting liked the idea that they could talk in smaller groups and learn about other areas of the company directly from people working there. Others felt that the time was too limited to really engage in the important issues, or that the need to perform in the open discussion after the group discussion inhibited participation in the group discussion. The group constellation was commented upon. “Maybe this is normal, that there are some people who are too active and some that are too passive in the groups. Like the Polish guy that was really active. Of course it is really good that someone is active but too active is too active. It makes the rest of the people passive.” (Finnish production manager).
Apart from individual differences, the groups were a mix based on functional belonging. One suggestion was that the mixing of people should not have been restricted only to the official hours and “one thing that should have been done in the evening was that the tables should have been mixed because when you have a competition like that it can be a nice way to build teams and you forget that you are from Poland or Finland or Sweden. But at the tables we had Swedish and Finnish people but Polish were sitting at their own table. I would have liked it to be more mixed, but the evening was enjoyable and we need that kind of things too.” (Finnish sales manager). Some managers liked the mix of people from different countries and work areas. Others saw this as a problem since they just talked about general issues and were not able to go deeper into the issues. People tended to take the local perspective in the discussions. “In this kind of meeting you tend to answer and comment the questions from your own perspective, and I think that this is a sign that you don’t take another role when you enter the Business Academy. You should, apart from your functional point of view, feel that you are a part of a large management group and try to see things from different perspectives. It’s too bad if people come to the meeting and try to defend their own point of view instead of learning about other perspectives.” (KL manager).

Even though the participants approached the discussion from their own perspectives, some felt that they could change perspective during the meeting: “The group discussions made us think from a process perspective instead of ordinary department-thinking.” (Finnish sales manager). “After the purchase presentation we had discussions about centralizing this function and I thought that it was obvious that one impartial person would handle purchasing and I thought that this was totally logical but the Polish people had a totally different view and when you learn about how things work in Poland you understand this. How they think about positions and that to be able to buy with the company’s money is a way to show that you have gotten somewhere in life and they work with favors and favors done in return in a totally different way. Then you see that it’s not that simple for us. You took for granted that people had the same ideas as you had but they didn’t.” (Swedish production manager).

The time set for group discussions was too short according to several managers and there was not time to talk about all the issues. The first one to talk often set the agenda for the 15 minutes that the group had for the discussion. “It depends on the first comment how the discussion will develop when you only have 15 minutes. The first to share a thought controls the whole discussion in the group. Yet, it was relevant and good questions from all groups. It was very much about ‘how do you do this?’ and people didn’t know about Poland and such things so it was a challenge both to find out what you wanted to know and then get to some kind of conclusion during these 15 minutes.” (Finnish HR manager).
From Swedish to English

When it came to the change of language, from Swedish to English, there was not much to be said about this since it was a prerequisite for the Polish group to attend the meeting. One Polish manager also interpreted the change of language as a sign that they were welcome in the group: “Well, for me it was of course a big difference because I understand English and not Swedish so I didn’t participate earlier. It was also like a signal that we are very welcome.” (Polish manager). The participation of the Polish management group was also given as the main explanation for the change of language, even though there were some Finnish managers that did not speak Swedish. “For me it was much better because speaking Swedish is not my strong side. Also, I think that because English is not the mother tongue for anybody we are on the same level.” (Finnish production manager).

Another difference after the change of language was that with English, a second language to all managers, people worked under the same conditions. When it came to the use of English the skills were quite different and some managers felt very comfortable using the language in a work situation: “For me it’s not an issue. Sometimes it’s even an advantage. Sometimes it’s harder because we don’t have English as a mother tongue but I know from our previous cooperation that I think in Swedish and then translate to English and then they think in Finnish and translate to English and things don’t always turn out the in the same way even if we start at the same place. So one has to be careful and don’t take the words literally but to think contextual all the time. But for me the English is not a problem.” (Swedish production manager). But there were also some middle managers that never had used English at a business meeting before: “I don’t think that I have ever attended a meeting in English before. It was the first time I listened to presentations in English and that was a bit tricky.” (Swedish sales manager).

There was a general understanding for language problems when people spoke English, but at the same time, the managers in the KL group were expected to have better linguistic skills: “Well, some people had difficulties with the English. And I think that one could expect that managers in those high positions could be sent to an intensive course in English because it gets harder for others to understand if the managers that are supposed to tell us what to do can’t speak English good enough. Besides that it’s positive that we have a common language.” (Swedish finance manager).

Some managers with experience from working in other countries had been through this language journey before and stressed that a shared meaning is essential. “When I was in Poland for two years we had the same difficulties in the beginning, that we didn’t understand each other even if we used English. But step by step we created phrases to understand certain things in the same way. And it helped and it made us committed to do business together and I believe that the same thing can happen in
Cloetta Fazer as well.” (Finnish production manager) When asked about the language that they created, the same manager tried to recall some examples: “Actually I don’t remember the exact words, but it was a lot about process control for example. If I speak of process control, the meaning of process control can be one thing but then we created an understanding of what it means in our business. Then there were many other phrases that were used and we quickly understood that ‘oh, it means that’. And we laughed together and said that I spoke Finglish (Finnish-English) and they spoke Ponglish (Polish-English). Afterwards I felt that it was quite nice. There was, in the beginning, a lot of misunderstanding but step by step we swept away those misunderstandings and we begun to understand each other better and better.”

A report from the crew

Towards one company

The crew seemed to agree on where to travel and was ready to embark on a journey. Compared to the meetings at Skytteholm and Hasseludden, many managers talked about the group as coming together as one and having a shared mind-set. “I think one can see that we have a shared view on things. Everybody talks about the importance of communication and stuff like that. To look at what’s best for the group and to put on the business hat and things like that. But that’s always easy to talk about and then we have to see to it that it turns into practice as well. But number one is that we all share the same basic perspective and that was what I got confirmed at the meeting, that nobody is running their own race and that we all blend together with the group interest as number one.” (Swedish finance manager). “I heard that the people who had been at this meeting before said that it was the best one and if the meeting is working this must mean that we have gotten close to each other and know each other better and have confidence in one another even though many people had never met before.” (Finnish HR manager).

The destination for the managers was to become one company: “I got the feeling that we are approaching one company, and things are getting better and better each time. It feels good, and I think it’s just to keep on doing this. One reason that I got this feeling was the CEO, that’s one thing, and then when we had dinner I thought that even though we were grouped it was less division between the Finns and the Swedes. And we didn’t see that much pie throwing. It could be because the Polish group was there and the country battle was not that prominent.” (Swedish production manager). The introduction of the Polish group was an explanation that was given to the feeling of coming together as one company. By introducing a new cultural group at the academy, the differences between Finnish and Swedish became less accentuated. “I think it was good that the Polish people were there. It became less of a country battle. It was not Finland against Sweden but it was more like we were one large group and that’s positive. I think the spirit was the best we’ve had. They (the Polish people) balanced the oppositeness. That’s why it was a
good meeting.” (Finnish finance manager). “I have said this before but I think this was the best meeting we’ve had. We had a nice atmosphere and it was because of the Poles. They contributed to a more balanced position in some issues, as persons since they were easy going and fun as well as when it came to facts since they asked another kind of questions than we did.” (KL manager).

From the Polish perspective, the reviews were not quite as positive: “I think that people need to be more active. I was there for the first time and I saw a distance between people. Probably it is normal in this kind of situation but my idea is that people need to be more and more open and discuss.” (Polish manager). There were also Finnish and Swedish managers that were not satisfied with the meeting and the way things were going: “Well, I’m still of the opinion that if we talk about being one group, I think we still are three companies. We are one Polish company, we are one Swedish company and we are one Finnish company and we all work in our own way and no one is particularly interested in how the others work. That’s maybe bitter but it’s still the same thing. Things haven’t changed that much during these years and I hope that this in a way was a start towards something better. I hope so.” (Finnish sales manager).

Leave your problems at the door

Even though the meeting was presented as an opportunity to work with and maybe solve problematic areas, there were some issues that were not talked about due to their sensitive nature. “Unfortunately it was not solved but I would have liked to have a discussion concerning this big issue of profitability versus brand building.” (Finnish marketing manager). These contradictory areas, to achieve both profitability and to build brands, were presented as the main goals from the KL group but they did not say anything about how this would be done.

Other issues were not addressed but people at the meeting figured out that there would be changes in some areas, such as concerning the number of production units. “We say that we don’t have the right prices from production. Well, we don’t say that but you can figure out that we could get more synergies if we had better prices in production. Last year the prices for raw material went up but now they are moving down again but our internal prices from production have not declined in the same pace. They one ask ‘how come?’ Well, if we look at capacity in production you get that we have five production units for production and it seems like some lines are not full and then your thoughts start to drift to ‘how could we get more efficient production to decrease the prices compared to today’s prices?’ and what is not outspoken but something we know is that we can’t have five production units in the future.” (Swedish sales manager).

Although some issues were covered up due to their sensitive nature, the journey following the new strategies had been initiated. In this enterprise, the leading characters had important roles to play: “I hope that the things the CEO and the top
managers talked about will happen. That they will lead the processes with great enthusiasm and give time and effort to them, and that they won't let things down. And that they act as a good example.” (Finnish HR manager).
SUMMARY OF “THE BUSINESS ACADEMY: AN ARENA FOR INTEGRATION”

Summary of the first meeting

The theme for the first meeting was businessmanship, which can be described as the practice of participating in business in a professional way. During the two days that the meeting lasted the managers played a business game, a simulation of using a management control system based on the balanced scorecard idea. This simulation was developed by a consultancy firm in cooperation with some of the KL managers. The managers played the game for three fictive years and in between each year they got feedback on the game and business lessons. During the business lesson the consultants introduced basic business concepts related to a financial perspective. The majority of the managers came from production and their functional background was in engineering, not business, and for them the merger meant a shift from production managers to general managers. This meeting was the first for the new CEO and the shift from local to central perspective was introduced. When talking to the managers after the meeting they emphasized the social aspect as the most important. They wanted to know who they were working with and meet them face-to-face to get to know them.

Summary of the second meeting

The emphasis on social interaction as the main outcome after the first Business Academy and some complaints on the tight schedule that did not leave room for spontaneous gatherings influenced the schedule at the second meeting. The agenda at this meeting had some time set of for social activities, and instead of working the whole evening the managers got time to enjoy the spa section of the conference site and this was followed by a nice dinner. The theme for this meeting was leadership and the first day started with a pop quiz to repeat what they had learned at the previous meeting. The same consultancy firm as the last time organized this. When it came to the dialogue on leadership in the afternoon during the first day a new consultant with a softer approach was brought in to lead the discussion. The second day the managers once again played a business game that was an extended version of the balanced scorecard that had a focus on value-based leadership. In the open climate at the meeting some questions emerged and especially during the last hour a conflict between top managers and middle managers surfaced. Some issues that came up were whether leadership or management would be prioritized, and what the purpose of the Business Academy was. Apart from the top and middle manager conflict, the argumentation sometimes returned to the clash between Finnishness and Swedishness.
Summary of the third meeting

The planned meeting in September 2003 was cancelled. One reason could be the critique that arose at the second meeting. When the managers met in December the KL group had reworked the strategies for the company. This meeting had a strategy theme and the message from the KL group was more uniform at this meeting, a meeting with more of an informative rather than a participative style. The KL group introduced the new strategies for each country and for each process (function) and how they all would work towards being one company. One purpose with the strategies was to be more hands-on with a focus on the next year’s activities since the managers had found a gap between long-term planning and the budget process. The CEO took a more pronounced role at this meeting and even said that if people did not agree on what was said they did not have to attend the following meetings. Even thought this might sound harsh there were several managers that expressed their liking of the outspoken style of the CEO when talking to them after the meeting. The reason was that it made it easier to interpret what was said, if they knew how the CEO reasoned.

Reflecting on integration

In this chapter the Business Academy meeting was described and one aim with this meeting was to integrate the management group. Among the participants there was one aspect that they described as the most important outcome of the meeting: to meet other managers face-to-face. It also seemed as if people got closer and closer to what they described as being one company after each meeting. Here I will talk about the face-to-face interaction and the role of the meeting in relation to integration.

In these times with so many possibilities for distance communication, how come that the managers put such high value on face-to-face communication? One reason could be that as social beings we need interaction with other people. This interaction does not only provide us with a sense of belonging but it also gives us information for interpretation. It also seemed as if the face-to-face interaction made people more prone to understand the other, rather than if they just had for example e-mail contact. And even though most managers did not meet in between the meetings, they started to feel familiarity with each other after just a few encounters. Thus, from an integration point of view it seems as if face-to-face meetings in a social and/or educational situation can be a good complement to operative meetings if one wants to promote integration.

If social/educational meetings were a good complement to promote integration, what did the Business Academy meeting represent? It was not a meeting for decision making but on the other hand they developed strategies and talked about the implementation of a new management control system. At the first and second
meeting the managers were educated on as well as involved in the construction of a balanced scorecard system. At the third meeting the activities was to inform the middle managers about the new strategies in a top-down way. Still, people felt more and more integrated, except for some managers that left the company during this time. All in all, it seemed as if the workshop format was positive for integration, and some middle managers expressed a positive reaction to the clear rules that were expressed at the third meeting. Some aspects at the meetings that were positive when it came to increased integration was that the themes guided people to the current rules, the physical mix of people at the tables forced the managers to get to know each other and the description of the meeting as an internal school made people open up and be more reflective than in everyday business.
Frame analysis of the integration process
FRAMES AT THE BUSINESS ACADEMY

Frames and framing

In this chapter, I have looked at the frames that have a dominant position in relation to the integration work at the Business Academy meetings, although I recognize that there were probably other frames at work as well. As mentioned in the chapter Creating a shared frame of reference, I have focused on social frames rather than on individual frames. This chapter starts with a summary of each meeting\(^{30}\), and then I will go into further details about each frame that appeared at the three meetings. After that I reorganize the frames as context and content frames, and I also mention the pre-merger frames in relation to the Business Academy. Finally, I describe two basic frames that appeared in the analysis, the faith frame and the game frame. In addition to the frames observed, I will comment on how managers used the frames in the framing activities that took place at the meeting; top managers referred to frames that supported centralization, while middle managers referred to the pre-merger frames that supported the way of working at the different departments. In the summary at the end of this chapter, I recapitulate the frames mentioned (see table 19).

The first meeting

The set-up of the first meeting consisted of two frames: the playing field and the classroom. The classroom frame was the sessions when the managers sat down to listen to a presentation. This included the knowledge and learning sessions but also the feedback given on the game. The playing field was the sessions when the small teams worked together to implement the balanced scorecard. The theme for this meeting was to learn about businessmanship, to increase the managerial skills in the group. This was done by introducing the finance frame.

The second meeting

The second meeting was similar to the first in that the two frames, the playing field and the classroom, could be observed again. However, the classroom frame appeared in a different way due to the consultant that stressed dialogue and took a secondary role. To differentiate it is called the new classroom frame since it was about creating a climate to reflect, to test new ideas and to open up and discuss things that otherwise did not surface in everyday conversation. The open atmosphere allowed many voices emerge in the management group. In this discussion, some dichotomies appeared, such as leadership-management, Finnishness-

\(^{30}\) I call the meetings the first, the second and the third meeting and by that I refer to their order in this study. In the company there had been seven meetings of this kind before I started the study.
Swedishness and gender. It seemed as if leadership-management had a superior position to the other two dichotomies at the meeting, and therefore I have seen Finnishness-Swedishness and gender as dimensions within the leadership frame and the management frame.

The third meeting

The third meeting had another characteristic than the other two. At this meeting there were no consultants and instead the KL managers ran the show. They had new strategies for the upcoming year and the meeting was an occasion to present the new strategies and get reactions from the middle managers that attended the meeting. The importance of the playing field frame had been reduced and was only present during the song contest, a social activity in the evening. Instead, the classroom frame dominated. Even though group discussions were scheduled, the main activity at the meeting was based on one-way communication. The audience spent most of their time as passive listeners to information about the new strategies that the KL group had developed.

One clear message during the presentations at the third meeting was to use the one company frame. This was the future frame that people in the company were expected to apply in order to interpret, understand and act in the right way. However, the one company frame still only existed on an abstract level, an ideal frame, since comments at the meeting revealed that everyday experiences of the middle managers were not in line with this frame. Not even all the presentations from the KL group were in line with the idea of being one. While the CEO and the functional managers advocated the one company frame, the country managers had a more disperse approach that came out of their focus on respective country.

THE FIRST MEETING: THE BUSINESSMANSHIP THEME

The playing field frame

Role taking

When the managers played the game, they needed to assume the role of general managers since this was the mission in the game. This stands in contrast to the functional managerial role (marketing, sales, production, finance and HR) that the managers have in daily operations. This shift from functional to general manager is similar to the integration situation when they were expected to take a general perspective, but at the same time they still had to work with practical matters in their functional area at a local department. As general managers they were introduced to the language of finance at the meeting and got to implement it in the game. This shift, from functional to general perspective, seemed to be easily
accepted in the game. In everyday situations this was described as a problematic shift and managers were often loyal to the local, functional perspective. I think that the unproblematic shift in the game could be explained by that the playing field frame is known to everybody (who has not heard of sports and games?). The participants were ready to accept other rules, because they knew that they were playing a game.

**Degree of organization**

In addition to the familiarity with the frame, another important aspect is that the playing field frame has a highly organized system of rules, and even though this system might differ depending on the game at hand it is nevertheless highly organized. Within the rule system, everything does not have to be known. During the game there were examples of when the teams revealed, or thought that they had revealed, the rules. When exploring the rule system the managers use their skills to find a tactic for how to win the game.

**A quartet for reading interaction**

To get to know the other actors is also to get to know what frames they use. When individuals find out about others frames through social interaction it gives them a chance to read the co-actors and this gives them valuable information for navigating in the playing field. One reason that this could be of interest has once again to do with language. Even though the managers are working with creating an organizational language, they use this language in slightly different ways. If they have the possibility to combine the language with a specific manager the interpretation of what is said can be refined. If we then add a frame with its norms, the relation between language – role – norm system – frame are clues for an interpretation of a situation that influence the actions taken by the individual. Thus, to have knowledge about this quartet increases the individual’s skills during social interaction in the integration process.

**Team interaction**

When working in small teams the managers were given freedom to interpret the rules and this was an important part of the purpose of the game: to create a language of their own that was an interpretation of the rules. The guidance for how to behave in the game, emanated from the interaction between language and rules. Decision making had been one of the most problematic areas during the integration process but in the game it seemed quite easy for managers from different areas and countries to get along. One reason to this could be that they did not know each other that well and thus were in the first stage of the group process when people are anxious to get along. Another explanation could be that the managers saw the game as a fun distraction and could overlook certain things that they would not have accepted in everyday business.
The starting-point for team interaction was a mix of people from different functions in the company, from different countries and from different organizational levels. This mix of people was experienced as something positive by the managers since it gave them the opportunity to get to know new people. This emphasized the social character of business, as an alternative to business as an objective occurrence.

**The classroom frame**

**Narrowing interpretive space**

When the *playing field frame* was dominant the teams participated actively in social interaction, while when the *classroom frame* dominated it seemed as if it was an attempt to control interaction and the interpretations made. The managers’ passivity was probably in line with their notion of the norms of the *classroom frame*: when the teacher talks you sit quiet and listen. During the following feedback session it was only a change of form in the presentation, the message was similar, and the managers applied the *classroom frame* here as well.

During the knowledge and learning session the strong emphasis on the finance language was a clear signal of what language that was to be used. Concepts such as for example income statement and cash flow analysis were defined, and the use of the language was described. If people had failed to use the language in a correct way when playing the game, this was corrected by using a humoristic style. The managers laughed at the jokes made by the consultants, but the message was clear-cut.

**Setting hierarchies**

The financial language is mainly based on numbers and figures. This seems to give the language high status, which can serve its purpose when trying to control different parts of the organization. The financial measurements could be described as being at the top of the language hierarchy. One practical example of this was when a financial manager talked about how the financial measurements were placed above the internal business measurements and that it was the managers’ task to translate them into words that could be understood by people in the lower levels of the organization.

**Hierarchical interaction**

When applying the *classroom frame* only a few managers were active participants. The consultants ran the show, as they were assigned to do, and in the audience it was mainly the top managers that raised their voices in the discussions. Thus, it was not only hierarchies in the language used but there were hierarchies in social interaction as well. Some people had the authority to be more active in the interaction. This is nothing strange since it is fundamental for an organization to have a hierarchy. What is problematic is that the top managers did not learn about the
possibilities for organizational implementation of a balanced scorecard. The reviews after the meeting showed that some managers liked the idea of a new management system while others were skeptical of this since they did not see the use for it, but the top managers had little idea about upcoming problems. Thus, they had to face these problems during implementation instead of in the forgoing discussion. Of course there could be problems that one could not foresee but I am referring to a imbalance in interaction that is hard to deal with: the top mangers had the authority to choose a system and implement it, but the middle managers probably had more knowledge about the specifics in each sub organization that could make or break the success of a new system.

The finance frame

Businessmanship
The aim for the first meeting was to enhance businessmanship, to develop the managerial practices of participating in international business. The main aspect of businessmanship, from my point of view, was to create a shared language in the organization and this shared language was based on the finance terminology. They learned about concepts such as the value chain, SWOT analysis, balance sheet, income statement and cash flow analysis. Basically, it was an introduction course to business and even though the group consisted of experienced managers one must remember that it was only the MBAs and the finance people that had formal education on business. A group with a strong alternative terminology is production, were most people are engineers. They have focused on performance from a technological perspective, but at the meeting it became clear that the finance terminology was preferred. To work according to businessmanship was to have the financial focus in the back of the mind no matter what subject treated. The ones who failed with this in the business simulation were presented as fools (although in a humorous way) during the feedback sessions. An example of this was that one group was to be “honorary members in a bank, since they despite high liquidity had kept their loans which gave the company additional interest charges of 18 millions SEK”.

Goal orientation
The financial terminology was related to a strong goal orientation. The gross margin of 12 % was the main financial goal and the goal that was known by the all the managers in the group. One KL manager made an attempt to break it down to talk about margin per market and margin per brand but they had no numbers set for what they wanted to achieve in these areas. At the meeting, the KL group put emphasis on the combination of goals, and the company should achieve both good result and increased brand awareness. Other goals were communicated via the business simulation game, like consumer focus in terms of degree of service and profitability per customer. In spite of the efforts from the KL group to talk about multiple goals acting on different levels, the 12 % had an outstanding position.
Frame inconsistency
During the knowledge and learning sessions there was a strong emphasis on financial figures even though the idea of the balanced scorecard used in the simulation was to bring out different perspectives on the business. The idea was to combine different measurements from a financial, internal business, innovation and learning, and a customer perspective. This was based on the understanding that by bringing together financial and operational measurements managers could get an overview of the business that guarded the organization against sub optimization. The conflict between the idea of using different perspectives and the superiority of the financial perspective was supported by the scoring in the game. The financial perspective gave the highest reward. In addition, the interpretation of how to play the business game was strongly influenced by the competitive aspect. With this followed a short-term focus that was in line with the reporting of financial figures in a listed company.

Another aspect of inconsistency was that the concepts used did not have a fixed meaning (except for the 12 %) and this was enhanced when playing the business game since the groups worked with making sense of the concepts and their use in the game. Group interpretations worked in the teams, but did not support the idea of a shared language in the whole management group.

THE SECOND MEETING: THE LEADERSHIP THEME

The playing field frame

The game as a learning opportunity
Similar to the previous meeting the playing field frame was used for educational purposes. The first day started with the pop quiz and the second day was spent playing a board game that was a business simulation of value-based leadership. The board game was a continuation of the balanced scorecard simulation used at the first meeting but some aspects concerning value-based leadership were added. The simulations differed in that the first one was played on the pc while the second was played on a board. Otherwise the activities were similar with learning sessions in between the years and team interaction with a focus on problem solving. When the playing field frame is applied people know what to expect and how to act. The rules are quite distinct which mean that the frame is fairly well organized.

Keeping score
Even though the quiz was described as an opportunity for knowledge repetition and that the business simulation was a way to learn about value-based leadership, it was all about scores and winning when the game was on. To keep score was a way to know who had won and to keep scores is the main goal in everyday business as
well. People were confused about what kind of leadership and culture they should have but when it came to the gross margin of 12% nobody hesitated about this number. The consultant asked the CEO if the financial goals were the most important, and the CEO agreed indirectly by saying that it was expected from the owners. On the other hand the CEO said that the 12% were not carved in stone and that the board might accept a lower level during a period of time if it was motivated from a business point of view. This was only one example of when the 12% appeared in the discussions at the three meetings and it was obvious that 12% was an important symbol in interaction even though the symbolic content differed between the top management group (12% is just a suggested goal) and the middle managers (12% is what we have to adjust to in reality). To work in order to achieve the 12% was to play by the rules.

The new classroom frame

To have an open mind

During the feedback sessions in the game and when the balanced scorecard for the organization was presented, there were similarities to the classroom frame mentioned in relation to the first meeting. However, the top-down interaction and setting of rules was not as pronounced at this meeting and instead the dialogue was proposed as a solution. This became particular evident during the culture and leadership workshop. The consultant encouraged ambiguity, reflection and multitude. I have called this the new classroom frame because of the atmosphere that characterized the meeting and two influential objects that set the spirit was the culture and leadership consultant and the conference site’s Japanese touch. The Do-In exercise before the culture workshop probably contributed to the open atmosphere since I believe that it was a new experience for many managers. This could have made them open up and expect the unexpected of the workshop. The interaction during the workshop became of an experimental kind when many different voices were heard and sensitive topics emerged. However, as one manager pointed out after the meeting, this was only a beginning and they did not really deal with the emerging issues at this meeting.

Frame dichotomies

The openness that was created at the meeting influenced the discussion and some pairs of competing frames could be observed. Due to the open atmosphere at the meeting some of the problematic questions in the organization surfaced. Different frames created an ambiguous portrait but when looking closer this ambiguity was not about total chaos but expressed as a tension between dichotomies. One such dichotomy was the discussion about whether the management group would focus on leadership or management. Within this frame other dichotomies appeared, such as the Finnishness and Swedishness frames and the gender frame. I do not propose that these frames are subordinated within the leadership frame or the management
frames in general. However, at the meeting studied they appeared within the leadership or management dichotomy.

The leadership frame versus the management frame

The individual leader versus a management system

The second meeting had leadership as a theme, but strong indications from the CEO prescribed that they should not only work with leadership but with a management system as well. The leadership frame and the management frame have much resemblance to the division between leadership and management that is often seen in management literature. Czarniawska-Joerges and Wolff (1991) suggest that one way to talk about leadership and management is to see the roles related to each frame as enacted archetypes. The leadership archetype is a symbolic performance that expresses the hope of control over destiny, while the management archetype is the creation of order via coordination and collective action (Czarniawska-Joerges and Wolff 1991). On a more practical level a definition of leadership could be about establishing direction, aligning people, motivating and inspiring in order to produce change, while management is about planning and budgeting, organizing and staffing, controlling and problem solving in order to produce a degree of predictability and order (Kotter 1990).

The description above is a suggestion of what the leadership frame and the management frame could represent on a master level (or as master frames). At the meeting the frames took on a slightly different character on the organizational level. A master level represents commonly held ideas, while the organizational level describes how these ideas take form in the organization. At the Business Academy leadership was talked about as strong individual leaders and management became about creating a system that would reduce the individuals influence. To discuss in terms of independent leaders had been the tradition in the Swedish organization while the Finnish organization had worked more according to a formalized system.

Degree of organization

Even though the meeting had leadership as a theme, the activities aimed at the construction of shared systems rather than individual leadership development. Examples are the work with the balanced scorecard and the presentation of leadership surveys that should be used throughout the organization. Both the decision planning process in marketing and the fishbone diagram in production were also presented as suitable models due to their systematic character. The attractiveness in the management frame was similar to the one in the playing field frame since they both had a high degree of order concerning rules.
Top-down or bottom-up
The issue of control was another question where the leadership frame and the management frame differed. The management frame involved systems according to the notion of top-down control. The leadership frame implied that control was exercised by individuals in the organization in bottom-up like processes.

On a general level one could say that the question of top-down or bottom-up decision processes was depending on the perspectives of top managers and middle managers. Top managers preferred top-down processes that they could control and this was expressed at the meeting for example in the description of the way of working that would be based on shared, centralized solutions. Middle managers on the other hand preferred bottom-up processes so that they could influence the development in the organization. However, the bottom-up process was more complex than the top-down process in that it held both a desire to influence and a desire to adjust to the will of the upper echelons of the hierarchy. This came through when they expressed a liking for the leadership frame at the same time as they asked for a rules system (although not in those words).

Here I have described middle managers as a homogenous group and even though I have not made the analysis based on functional belonging (since functional background was not a prominent feature in the discussion at the meeting) it is worthwhile to point out that there are big differences between the middle managers due to their various backgrounds and they probably relate in different ways to different frames.

The gender frame
A final point of discussion is the gender frame that was used as a sub frame within the leadership frame and the management frame. What I think is interesting with the dichotomy in the gender frame is that only one side was talked about. The notion of the male manager was not mentioned when speaking. Instead it seemed to be used as a background against which the notion of the female manager was brought out.

The female managers were held up as an example at the beginning of the meeting: the female dimension on leadership. When talking about leadership, a frame with a lower degree of organization, the key to learn about this was found in other ways, such as emotional know-how and intuition. Although these were features that both female and male managers could have, the female managers were presented as the ones that were able to unlock the mystery of good leadership.
THE THIRD MEETING: THE STRATEGY THEME

The one company frame

A strive towards becoming “one”
This frame is not about being one organization from a legal point of view, but the notion of one as something larger than the parts. It sometimes approaches a desire for an ideal organization similar to a super society, a state where communication flows freely and where all people know their task and are working towards a common goal in an innovative way. The managers used words such as specialization, focus, harmonization, centralization, etc. to describe the way towards a homogeneous group. In the presentations the notion of being one echoed. It was most pronounced from the functional managers’ point of view and least pronounced from the country perspectives. This, together with some comments from middle managers when the group gave feedback to the presenters, gave the impression that they were working according to one frame yet. When looking at the reviews that came up after the meetings, there were strong reactions, both in a positive and a negative direction. Some managers were pleased that the CEO put his foot down while others saw this as a step back in the development of the business.

The change of language, from Swedish to English, was done in order for the Polish group to be able to attend the meeting but it was also an advantage for the Finnish managers that felt insecure when they used the Swedish language. Many managers expressed the notion that the change to English would put all people on an equal level and thus it would be a fair game. This was a qualified truth since the skill in speaking English was quite different for different people. Nevertheless they all used a foreign language.

Being one requires high degree of organization
From the country perspective the discussion centered about business as a game, and they were even playing each other. One example of this was the issue of parallel import. From the functional perspective the notion of one was used as something taken for granted, and they aimed for a common way of working. At the same time this idea of one seemed to have much to do with taking control over the meaning of one (and over the organization). At the third meeting a stronger focus on control was implied.

Normative control
Purchasing was held up as an example of a unit that had succeeded to achieve the feeling of being one. In the presentation from purchasing the audience learned how they had created detailed rules for how to act, down to be “open, smile and help you colleagues”. At the same time as purchasing was presented as a role model, the
CEO expressed some reluctance to rules and instead put emphasis on the mental set-up that people had to be committed to. At least for me, this message was somewhat confusing since it was based on a kind of forced voluntariness. Rules would preferably be understood but not talked about. This appears to be an expression of a desire for normative control: “the attempt to elicit and direct the required efforts of members by controlling the underlying experiences, thoughts, and feelings that guide their actions” (Kunda 1992, p.11).

One activity to achieve the one company frame was to work with the creation of a management control system. Thus, the management frame had come through after the duel with the leadership frame at the second meeting. The idea presented was that only when they had a management control system in place they could start talking about leadership. This meant a move from individual to system level. The one company frame was then about making the organization independent of its population. This could also be seen when talking about rules. There were some rules presented at the meeting, like the gross margin of 12 % and the private label policy, but they did not seem to make sense to all people at the meeting in relation to their everyday business. Instead of adjusting the rules to fit a specific situation, it seemed like the priority was to create shared rules. Another aspect of this was that some issues were not talked about due to their sensitive character, even though the meeting was presented as an opportunity to work with problematic areas. One example of this was the comment from a sales manager that said “something we know is that we can’t have five production units in the future.”

The matrix - an illustration of being one
The notion of being one was supported by the matrix chart, as the matrix was supposed encourage crosswise cooperation and communication between units. This idea was also used in the seating at the meeting where the groups were a mix based on functional and country organizational belongings. The mix at the tables at the meeting was perceived as positive by most managers and some even felt that they could change perspective in the discussions.

In the managers’ accounts of experiences from everyday business, the matrix organization created many quarrels and the main tension was between the country organizations versus the functional organizations. In the functional organizations, people from all countries cooperated and tried to see if they could learn from each other and create economies of scale. This was more easily done in purchasing, where cost reduction was the main activity, than for example in sales that worked on markets with different characters and the sales forces had to adjust to the customers’ situation. In the country organizations they had a focus on results, to achieve the 12 % margin, and for them the process activities was a disturbance to their planning process since they could not control the functional managers but they had to finance their activities.
The tension between country and function appeared at the third meeting in the form of words about a long-term or a short-term perspective and between strategy and operations (budget). At the first meeting the CEO intended to shift focus from the short-term country organizations to the functional organizations that had a long-term perspective. At this meeting this intention was put in the reverse gear and the purpose of the meeting was to focus on hands-on management during 2004, a short-term perspective. However, this shift from strategy to operational level was easier said than done and the reason was said to be that everybody wanted to work with strategies since they were fun and interesting and they did not want to get their hands dirty with implementation of plans.

The tension between strategic and operational level was one problem at the meeting. The one company frame was an abstract ideal and the matrix was a theoretical way to illustrate the idea of being one. These ideas that were nice on a strategic level collided with the pre-merger frames that were strongly rooted in history and in operations. It was not only a new frame against the old ones, but it was also a new frame that had not been empirical tested and proved valid in this organization.

FRAME ANALYSIS OF THE BUSINESS ACADEMY

Grouping the frames

The frames at the meetings had somewhat different character, and I have divided them into context and content frames. As discussed in the chapter Creating a shared frame of reference, frames enable people to recognize the situation and define what counts as relevant for attention and assessment. What I have called context frames are frames that suggest how to define a situation in terms of how to relate to the physical surrounding. Content frames indicate what kind of discourse people are expected to engage in. For a summary of context frames (the playing field and classroom frame) and content frames (the finance, leadership, management and one company frame), see table 17.

One frame that I have not mentioned is the Business Academy frame\(^{31}\), the meeting in itself as a frame. The Business Academy as a stage can provide the audience with an initial mindset before entering the room, and as an academy with integrative purposes, managers probably enter the meeting with other expectations than they would enter an ordinary business meeting. At the meetings, all details were planned ahead, and the choice of luxurious conference sites could be interpreted as

\(^{31}\) The Business Academy frame is briefly mentioned in order to show that I am aware of the possibility of the Business Academy as a frame, and in relation to integration it provided a general arena for framing the new organization.
a manifestation of desired values and a presentation of an appropriate setting for managers as top hierarchical beings. The Business Academy also worked as an arena for the informally appointed up-and-coming young men (no women were treated as up-and-coming) to try out a new role, higher in the hierarchy. However, they were still in training to learn the appropriate mind-set from the older managers and this was apparently a suitable environment for this. *The Business Academy frame* is an example of what I mean by a context frame, and below I will describe context and content frames, and how their roles were altered with time at the meetings. I will also look at how the pre-merger frames appeared at the meeting.

<table>
<thead>
<tr>
<th>The Business Academy</th>
<th>The playing field frame</th>
<th>The playing field frame</th>
<th>The playing field frame</th>
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<tbody>
<tr>
<td>The first meeting</td>
<td>The second meeting</td>
<td>The third meeting</td>
<td></td>
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<tr>
<td>The classroom frame</td>
<td>The new classroom frame</td>
<td>The classroom frame</td>
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<tr>
<td>Ongoing organization of frame</td>
<td>Questioning of frames</td>
<td>Ongoing organization of the new frame</td>
<td></td>
</tr>
<tr>
<td>Setting rules</td>
<td>Multitude of frames</td>
<td>Setting rules</td>
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<tr>
<td>Top-down interaction</td>
<td>Reflection</td>
<td>Top-down interaction</td>
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<tr>
<td>The finance frame</td>
<td>The leadership frame</td>
<td>The one company frame</td>
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<tr>
<td>Master level</td>
<td>Master level</td>
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<tr>
<td>Financial terminology</td>
<td>Establishing direction</td>
<td>Matrix cooperation</td>
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<tr>
<td>Market logic</td>
<td>Aligning people</td>
<td>Agents in line with the system</td>
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<tr>
<td>Organizational level</td>
<td>Individual</td>
<td>Organizational level</td>
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<tr>
<td>Businessmanship</td>
<td>Low degree of organization</td>
<td>Homogeneousness</td>
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<td>Goal orientation</td>
<td>Swedishness</td>
<td>High degree of organization</td>
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<td>Inconsistency</td>
<td>Female aspects</td>
<td>Normative control</td>
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<td></td>
<td>Bottom-up</td>
<td>Rule guided</td>
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<td>Strategic ideal</td>
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<tr>
<td>The management frame</td>
<td>Master level</td>
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<td>Planning and budgeting</td>
<td>Organizing and staffing</td>
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<td>Controlling</td>
<td>Problem solving</td>
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<tr>
<td>System</td>
<td>Organizational level</td>
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<tr>
<td>High degree of organization</td>
<td>Finnishness</td>
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<tr>
<td>Top-down</td>
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</table>

Table 17. Summary of context and content frames at the Business Academy meetings.
Context frames

Physical frames

The playing field frame and the classroom frame are what I consider to be context frames. Context frames are those that are mainly active in the physical framing of activities to support people with ideas about how to behave. Thus, context frames can help us understand how the managers worked with integrating the management group at the meeting.

The playing field frame: from main attraction to evening distraction

Above I described the characteristics of the playing field frame, but here I will concentrate on the impact on acting that the frame had at the meeting. At the first and second meeting the frame appeared in the development of a new management system: the balanced scorecard. During interaction when playing the game people were active and made an effort to participate (with individual exceptions). When the teams worked they were put in small rooms and in each team there were only four people. The small format could have contributed to the high level of activity from the managers as well as the familiarity with the frame. In the teams people seemed to develop a (temporary?) team spirit based on the creation of an internal language and a tactic to reveal the rules in the game and use this in their favor. The team interaction during the business game was not as salient during the pop quiz at the second meeting. That was another kind of game and it put individuals in focus rather than the team that they were divided in. At the third meeting the playing field frame was only applied during the social event in the evening.

The playing field frame provided a context that was fun, that people were acquainted with and that seemed to promote the social aspect of the meeting. The social aspect was what the managers themselves valued the most when starting to work together across borders. The downside with this frame was that it could give a signal that the subjects treated were not to be taken seriously. Another aspect that could work against the idea of integration was the strong competitive side of the frame. It could possibly ignite internal competition rather than make use of the competitive force in external relations. To apply the playing field frame was also to avoid talking about issues directly. After the business simulation some managers suspected that it was a way to show what the KL group wanted but it was not clearly communicated if they were in the process of developing system by using it in a simulation or if it was just a game that had been adjusted to fit the organization in order to enhance interest from the participants. In addition to this, the playing field frame was in the foreground, due to its persistent character, and in that sense it put other aspects in the background.
The classroom frame: from support function to agenda setter

The first and second meetings both had a division between the playing field frame and the classroom frame. At the first meeting people sat passive and listened to the consultants or KL managers (the teachers) when the classroom frame was applied. At the second meeting the new classroom frame was at work. The difference was in the way the instructor approached the audience. During the first meeting the managers were told what terminology they should use but at the second meeting they were asked to contribute to the learning concerning leadership and culture. At the first meeting the managers seemed to get the feeling that they had to answer in the right way, to give a proper reply to what for example a SWOT analysis is, while at the second meeting they were free to draw on their own experience. A side effect of the new classroom frame was that the climate let problems pop up in the discussion. This is referred to as a side effect because it seemed as if these comments came as a surprise to the KL managers, and maybe the return to the traditional classroom frame at the third meeting was a reaction to this. The third meeting was choreographed according to the classroom frame where the KL managers told the middle managers about what they would do the next year.

The playing field frame was described as having a persistent character and thus could dominate over other frames. The outcome of this could be that issues dealt with in the game came in second hand since the first priority was to win. The classroom frame could have a similar effect: urgent issues fell into the background, but for different reasons. In the case of the classroom frame it would probably be because of the top-down character of the frame. If the KL managers did not see an issue as suitable it would be pushed aside. The content frames, on the other hand, were used to legitimize and adjust subject matters to the organization.

Content frames

The finance frame, the leadership frame, the management frame and the one company frame are what I have called content frames. The content frames are related to the themes selected to guide the meetings and they show us what was selected as relevant content in the creation of a new frame in the management group. But while the agenda set by the KL managers influenced what frames would be applied, they did not have control over the interpretations made of the frames at the meeting. At the first meeting the vocabulary of the finance frame was introduced, then at the second meeting in the new classroom frame people opened up and multiple frames appeared. It should be noted that the leadership frame and the management frame appeared on both a master level and on an organizational level, and that they had other frames/dimensions connected to them. As a reaction to the multifaceted discussion concerning leadership and management, the content was concentrated in the one company frame at the third meeting. I understand this as a reaction to the unorganized emergence of frames at the second meeting.
The content frames contained both a master level on an organizational level. Managers made references to the master level to legitimize their proposals on the organizational level. The character of a master level was that it was commonly held as an approved truth, for example a truth shared by people in an industry, while the organizational level is specific for the organization in question. At the meetings, the organizational level was dominant, so in that sense the organizational level was the accepted truth at the meetings or in the organization and the master level was used to strengthen this situated truth. This is similar to the pre-merger frames mentioned earlier. National culture would usually be described as something close to a generalized truth, but during the integration process national culture became one of the characteristic in the pre-merger frames.

References to pre-merger frames

Nationality as a way to address the pre-merger frames
When presenting the pre-merger frames, I concluded that national culture was a subordinate to the organizational frame. When looking at how references were made to the pre-merger frames, the Cloetta frame and the Fazer frame, at the meetings, the managers mostly talked about Finnishness and Swedishness. If references were made directly to an organization it was when they talked about the family Fazer and their traditions. One reason that they often made references to Finnishness and Swedishness instead of to Cloetta and Fazer directly could be that it was less sensitive to talk about nationality in general than organizational belonging in particular. The references to Finnishness and Swedishness appeared in both verbal and nonverbal communication.

The issue of a conflict between Finland and Sweden was usually not talked about directly but at the second meeting the managers got an opportunity to talk about these issues as they were appointed by the culture consultant as the main theme during the first day. In this discussion they referred to the Finnish and Swedish way of working in the decision making process as problematic. The meeting was seen as an opportunity to talk about questions that were not normally debated in the company and to open up for a discussion of this kind also brought about some other agitated issues, like the questioning of the restraints from the KL group. The KL group often used the national frames when talking about the organization. Mostly, it was the leading troika that performed at the Business Academy and they referred to the national frames in different ways. At the first meeting the conflict between Finland and Sweden was talked about to address this issue and at the second meeting some numbers and graphs were used to show cultural differences. What was interesting when presenting national cultural differences was that that the official description of Swedishness and Finnishness did not differ that much even though they had some unique traits.
The most obvious non-verbal reference made was the mixing of people at the tables at the meeting. At the first meeting they were divided in two markets with five teams respectively. All the teams were a mix of people from different countries and different professions and they got to work together during the whole meeting. Then at the second meeting they started off in the same groups during the pop quiz but after lunch the teams were changed. This change was based on the same logic: context mix. At the second meeting there were social activities scheduled, like the time spent in the spa section, with the purpose to give people room to interact in voluntary constellations. At the third meeting the management team had expanded to include almost 70 managers whereof many were unknown to the original group of 40 managers. They started off in functional groups (mixed country belonging) the first day, in opposite to the presentations that had a focus on the strategies for each country. Then the second day they switched so that the groups were a mix of people from the functional groups in the company and the presentations was from the process point of view. During the social activity at the third meeting the seating was free and this resulted in a mix of people at some tables but with a tendency to group based on language preferences.

To mix frames by physical regrouping was very appreciated by the managers that attended the meeting and it was an overwhelming agreement on the social importance. When talking to the managers after the meeting they all said that the best thing about the meeting, for them as managers but also for the company, was the social aspect. The social aspect included getting to know new people, meeting colleagues from other units and meeting people that they had only had mail or phone contact with before. The emphasis on the social side of interaction could be understood as an opportunity to increase the communicative ability when the managers learned what frames others referred to and how they accomplished this.

**A slow change process**

The meeting took place two years after the merger and there was some references made to what was shared, like the company in the simulation game that had a great resemblance to Cloetta Fazer’s business and it was described as a more than 100 year old company that was a result of a merger between two family businesses. The fictive company was situated on the Nordic market, and had a portfolio of strong local and global brands. It seemed as if those things that were similar could be referred to as something that was shared. The managers also agreed on that they worked towards a new frame, Cloetta Fazer, but problems appeared when people had different ideas about what this new frame would look like. Although disagreements on several practical areas they had agreed on a vision that would guide the development of a new frame but even though the pre-merger frames had started to change the process was characterized by inertia.

One aspect of change, that indicated a move from the pre-merger frames, was that in the beginning of the integration process people used to say things like “I am from
“Fazer” and “Cloetta in Ljungsbro” but the managers had actively worked with changing the way they expressed themselves. During my study I sometimes heard the comment that when they employed people with no history in the company they would move away from this conflict but the “neutral” people that were hired were often classified as belonging to one group or the other, and they themselves felt as if they were regarded with suspicion from both sides and they got stuck in the middle. However, after two years there were some managers that had started to feel like they were one company, even though the emergence of the pre-merger frames indicated that the pre-merger frames were still strong. In addition to the pre-merger frames, two other frames appeared that seemed to have a profound role during the integration process. These frames represented two basic frames: the faith frame and the game frame.

DIVERGING FRAMES AT THE MEETING

Integration as a quest for meaning or playing a game?

When looking at the frames per meeting, I found two different kinds of frames: content frames and context frames. Content frames were about frames that appeared in non-verbal action and context frames appeared in verbal action. This division is illustrating one aspect of frames. However, here I would like to depict two additional frames that were present during the integration process in different forms: the faith frame and the game frame. In relation to the other frames described, these two frames seem to represent a more profound understanding of organizational life during the integration process. The reason is that they appear at all three meetings but they are not addressed in the set-up of the meeting. Via the Business Academy and the way people interacted we get a glimpse of basic frames that were active in the integration process. The faith frame is used to describe the search for belonging in an organization. This frame is an expression of a need for an understanding of organizational reality among the managers. The game frame emphasizes the competitive aspect of business. This is similar to the playing field frame except that the game frame represents a general idea about competition as a guiding force for organizational life, not a specific game delimited in time and space.

Organization as a competitive game and organization as a search for belonging are used here to describe two different aspects of the integration process. The game frame emphasizes the organization as a competitive arena where individuals play against each other and where there are winners and losers. The faith frame describes how the managers seek to fulfill needs of belonging at work. These two frames might converge in a situation when the game is what gives meaning. However, based on the negative reactions and the questioning of the game, the managers did not seem to find belonging in the game played. Therefore, the two
frames work in diverging directions. Another comment on these frames is that the faith frame seems to be used for integrative purposes while the game frame represents business activities. Thus, the faith frame was used at the Business Academy to meet the immense need for belonging that was brought out when two organizations were supposed to be one. The game frame was used to illustrate the new playing field for the merged organization. Although one can trace the frames via the language, the diverging frames do not stand in contrast to creating a shared language since there is actually one thing that both frames share: they show peoples need for guidelines or rules, and the desire to understand the specific norms that guide action in a specific interaction situation.

The faith frame

In search of belonging

Even though the company had been one organization from a legal and financial perspective since the merger in 2000, many employees still felt that there was something missing in order to feel as one company three years later. The managers talked about we and them but they said that they should talk about one company and us. This idea was expressed in plain language during the second meeting when one of the managers expressed a desire to be one homogenous company. Another manager tried to put words on what this notion of one company was, by saying that it had to do with an organizational culture that was dynamic and free and agreed upon by the group; an organizational culture with shared values, a vision and a common platform to work from. This is interesting since the company had worked with a shared vision, mission, objectives, strategies and values since 2000. The strategic work had been performed within the group and agreed upon by the managers. Even though they might question some of these objectives on an individual level, they still had a formal agreement that they could have worked with throughout the whole organization on a practical level. In spite of the things in common, why did they still not talk about something shared? It seemed as if it was not enough to agree on work practices but that they searched for something more.

What could it be that they were missing then? The dissatisfaction could be an expression of individuals’ need to belong within the new merged organization, a question of identity. To talk about one company, one culture, might be a reaction to a situation embodying confusion when old truths are being cast aside. The idea of the organization has to be recreated, managers has to make sense of what is going on, but this is at large a collective work. Individual managers might explain to themselves what is going on but the feeling of belonging is reached when things make sense within a group context. The longing for oneness, for something shared, seems to be a notion of emerging into something larger than the self. There are some ways that these notions of belonging are worked with at the business academy, and in the next section we will look at how the group try to move from being one organization, to feeling oneness.
From one to oneness: to get the big picture

To use the concept oneness is more than just to indicate that there are shared norms in the company. Oneness expresses a need for a broader shared mindset, a mental state involving values and feelings and the Business Academy was a forum where this shared mindset was promoted. The integration work in the managerial group was characterized by ideas of one organization. The way to achieve this was illustrated by the matrix organization that emphasized an integrated set-up. At the third Business Academy the word one was used in writing, underlined and in capital letters, when talking about a solution to problems that were not always articulated. Could one be about all participants sharing the same interpretation of what was going on, based on the notion that there is only one right way to do business or one right culture? This notion on one right way has been acknowledged in other studies as well. "I do not claim that the business persons would ignore all cultural pluralism or all controversy, not even that their stories would do so. What I claim is that in the general descriptions and dramatizations of their attitude they take for granted that there is a "real" version of the other culture, a genuine or authentic one, and their effort in finding reliable and valid knowledge is based on this assumption" (Wästerfors 2004, p. 109). This quote shows a similar belief that even though everyday activities can be ambiguous and contradictory, there is one truth behind it all and if you only try hard enough you can find it. Oneness then becomes an expression for people’s unquestioned ontology.

In the chapter Creating a shared frame of reference, I talked about finding a shared language. This could be a definition of what one stands for: to have a shared language mean to be on the same wavelength. Here, the idea is moved along further since it seems that one also express a need to make sense of organizational life in terms of belonging to something shared, not only to have linguistic skills. Discussions that express oneness seem to be about business utopia described in words such as balance and harmony in the grand total. Balance and harmony could be found for example in the accounting world as well as in relation to the notion of integration in the company. In addition, the managers got to work with this on a spiritual level at the second meeting, inspired by Eastern traditions, when the group got to do a Tai Chi like exercise and enjoyed the facilities “harmonic composition where energies flow in the right direction”. To use the word oneness is to say that there seemed to be a need to emerge into a state of being guided from above in an almost religious sense.

A shared management control system as a divine command

Oneness could be interpreted as guidance from above, but it was also to reach agreement within the group. At the Business Academy one purpose was to foster a mind-set guided by the whole company picture instead of managers taking the local perspective that often resulted in situations when the local unit would flourish at the expense of business in total. For the KL group, except the country managers, this
was a problem since their assignment was to work on an overall organizational level transcending country organizations. One way they try to achieve agreement in the company was by implementing a balanced scorecard (BSC) on top of existing management control systems to bring together financial and operational measurements for an overview of the business. A BSC had been used in one of the organizations in Finland and the managers who had worked with the system expressed a fear that the idea of the scorecard as a management philosophy got lost at the meeting. Maybe the scorecard held the answer to how business should be performed but in the implementation process the managers had to deal with the clash of two management systems, the old, local system and the new BSC. In addition to this there was the unspoken question of whether the scorecard represented a global encompassing business style or if it was something that would emerge from the organization as time went by. The strive for one company was expressed in a top-down manner at the meeting, and this was questioned by the middle managers at the same time as they looked for guidance by the KL group in general and the CEO in particular.

The need for a guru

If emphasis is put on the organizational hierarchy, the CEO ends up at the top of the responsibility chain as a guru. At the meeting, there were expectations on the guru to interpret a higher meaning into a language that could be understood by the organizational members. At the first meeting, the CEO had a downplayed role but after that he saw the need to accept the role expectations and step up in the pulpit. After the next two meetings this was commented upon as something positive by the other managers, and some even said that it was positive that the CEO was “overly clear” and “put his foot down.”

Another form of gurus were the consultants that were called in to give new perspectives on business life. They presented an ideal picture of organizational life and used a rhetorically attractive terminology based on ideas such as joy of work, balance, participation, change management, continuous improvement, etc. Leadership and communication was the solution and people were going to Build to last (Collins and Porras 1994) and move from Good to great (Collins 2001). The image of this business utopia where managers subordinate to the benefit of organizational harmony and communication flows perfectly was impeccable and therefore very attractive compared to the methods that appeared in everyday situations. It was also easy for consultant gurus to work on a level where they only used concepts expressing desirable values open for interpretations, but when trying to translate this into the everyday frame it seemed as if individual interpretations diverged in all directions. At the second meeting, middle managers started to express their ideas about how to work with diversity, but the response from the KL troika expressed strong ideas about uniformity: “we’ll blossom in the vase, but we’ll be in a vase” and “we have to turn culture and values in to concrete behavior”. At the second meeting a gap between the KL managers’ ideas of the business and the next level managers’
ideas surfaced. Middle managers started questioning the methods proposed by the gurus and this resulted in a reformulation of strategies into a more coherent material about the right way of working that was preached at the third Business Academy meeting.

**The right way**

At the third meeting, the idea of being one company was emphasized, and the CEO stated they were a brand company. Another message was about achieving oneness by adhering to the idea of being one company. Several processes presented how they worked cross-border in the same organization. In finance they had to comply to international standards, marketing had set up a decision meeting called RRM, production talked about prize harmonization, in HR they looked at organizational competence in total, IT had created a database for shared information, but it was the purchasing department that was presented as the shining example for the business: an icon to look at. The presentation from the purchasing department was about how they had strived for centralization and integrating towards one. They had developed common purchasing policies, goals and strategies and were going to implement them in 2004. In addition, the decision processes and the management model were agreed on and they had common key figures for monthly reports.

To help the participants at the meetings in the right direction, the top managers worked with icons, such as the BSC and the margin of 12 %. Especially the 12 % was an icon that most of the managers related to, but when the middle managers focused on the icon, the 12 %, the KL group wanted to emphasize that the 12 % was only a representation of something larger. The strong cohesiveness among the middle managers concerning the fixation with a 12 % margin was objected to by the KL group, who said that 12 % did not have to be on a short-term basis and that the board could accept other goals. However, this stood in opposition to the middle managers experiences of having to delay activities until the coming quarter in order to fulfill the short-term financial goals. Again, the shift between strategic ideals and everyday reality appeared as problematic.

**Questioning the idea of oneness**

The creation of one organization in purchasing has been done by meeting regularly, establishing a common culture and by using a shared information platform for decision making. Purchasing also has some guidelines for the individual managers, who were told to develop their competences and be open and smile. While this seemed to work for the purchasing department, other managers were more critical to this. One Swedish manager said that probably people were scared and that this was the reason that they seemed to comply with the instructions from the KL group. A Finnish manager expressed how the only reason that he had coped with the way the company was being led, was that they had been able to work quite independently on a local level, but if things were getting more centralized, he was not interested in staying in the company. When the managers in the Polish organization made the interpretation that being one company also meant eliminating the
difference between the countries, a KL manager told them that it was “dangerous” to think that they should be on the same level due to the units’ different situations.

The shared mindset, the confession to the same belief, was in 2003 desired but not achieved, an accepted value but not a norm in the organization. “There are decisions made on different corners and with different agendas and that means that you don’t get the synergies. Why do I say that I want one organization? Well, because as one we are much more competitive for survival on the market. I think it’s better to have a Nordic brand portfolio than a local. I think it’s a great concept but then we must dare to act as if we are colleagues. Nevermind if we sit in Finland, Poland or Sweden. And every department has to work with this and not play people against each other.” (Middle manager 2003). The organizational members seemed to be broken after the merger and the integration process and maybe this strengthen the desire to emerge into wholeness. But if most of the managers in the organization wanted to feel as one, what was the reason that groups felt divided? Maybe we can understand this by taking a closer look at the competitive side of business.

The game frame

The sport metaphor

Sport metaphors are commonly used in business (e.g. Vaara, Tienari and Säntti 2003), and words such as players, teams, winners and losers are part of everyday organizational life. And if you play sports it is all about winning, something that was expressed in different ways and on several occasions at the meetings. Sometimes specific sport references were made to individual sport stars, like Kajsa Bergqvist. Her sport was used as an illustration of goals and vision, but when it came to the how the game should be played, hockey was used to emphasize the team aspect. Sport and games were not only used in a metaphorical way in speech. At the Business Academy games were used as a fun way to learn about business terminology and the game was used as a frame for social activities after the formal meeting as well, such as the song contests at the third meeting. The business simulation had the format of a game and the managers participated in a pop quiz to learn about business concepts where the winners got prices for best performance. Some comments hinted that there were other social games going on. A more explicit reference to the meeting in itself as a game was made at the end of the second meeting by the production manager, who said that they were through playing games.

Teams and players

The managers were players but who were they playing? At the meetings the competitors was not singled out as a uniform group. The managers were competing against an abstract idea of the other. Competition was materialized for example in
the business game, as a notion of Finnkampen\textsuperscript{32} or as competition with other companies on the market. With regard to the other groups at the meeting much activity was spent on trying to figure out their moves. To read other people and guess their moves in interaction was actually something that was mentioned as the main outcome of the meeting on a personal level: "to get a face"\textsuperscript{33}. Previous organizational belonging might give a clue to actions, and this is where Finnkampen comes in as a description of competition. One aspect of the pre-merger frames was a notion about the Finnish organization as strongly connected to academic practices while the Swedish organization was described as having a more practical approach. To play using technique or strength then became an issue in the group, and there were no given answer since both teams had performed well previous the merger. To act towards external competitors was even suggested as a general solution during the business simulation when the players were told to look at market trends and interpret the competitors’ activities.

The matrix set-up was one way to try to unite the whole company in to one team, and to really be a team player one should follow the purchasing example. Even though the matrix was intended as a solution to enhance cooperation and team spirit, it created internal competition in the crossings, and the market dimension and the process dimension often met at the playfield. One problem in the organization was that some players met and settled in the backyard instead of playing in the formal league. One way to deal with this was presented at the meeting. The solution was to work with formal processes and forums, such as the decision process in marketing where the RRM forum was the main meeting for making decisions.

The KL group as referees

During the pop quiz a panel of referees kept scores and delivered points. They tried to keep a team spirit by giving all teams extra scores for different reasons, but one team was finally appointed winner. Even when managers were not involved in a game situation the CEO acted as a referee during the meetings and stood up to correct or comment on what had been said. The KL group acted as referees in different ways but at the same time they saw the role of a coach as important for the group.

How to be a coach for the team was the main issue at Hasseludden when leadership was the theme for the meeting. One key to coaching the organization was to be able to create enthusiasm and thus, a winning team. At the following meeting the idea of

\textsuperscript{32} Finnkampen is Swedish for an athletics competition between Sweden and Finland, and in Finland it is called Sverigekampen. The competition takes place in Sweden and Finland every other year and has the character of a folk fest.

\textsuperscript{33} One definition of face is found in Goffman (1967, p. 5) who describe it as "the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact. Face is an image of self delineated in terms of approved social attributes".
being a coach was questioned because of the perceived lack of rule system. Even though the formation of a shared rule system was in focus at the third meeting in order to take a tighter control over the business, it was combined with words to create a positive attitude, such as challenge and possibility. One problem with this combination was that detailed control, in terms of a new system, signaled a disbelief in people’s ability to run the business, while positive thinking is based on people’s ability to perform in a supportive environment.

Positive attitude
Another similarity to sports was the occurrence of positive thinking. In the organization they talked about opportunities, possibilities and challenges instead of problems and threats. It was critical for organizational members to show commitment via using the right set of concepts. When Cloetta Fazer Confectionery was chosen the best workplace in Finland in 2003 this was a result of a long-term change process. They had started to create a learning organization in the early 1990s and one of the managers involved described how they had worked from a negative to a positive attitude to change. “I think people have started to talk and think in different ways. When we started with this work people said ‘What is this about?’ and ‘I don’t have time. I should work instead’. They all thought I worked on something quite redundant to the business, and they said ‘I have my own work to take care of so don’t come here and ask tedious questions’. Still, we always used this HR tool, we talk about why we do it and what the outcome will be and how we will use it. It’s not just a question to get a number to the balanced scorecard but we really want to achieve results in the group. But it takes time. I have noticed that it takes about two years. The first time we talk about it people react negative and say ‘why should we do this?’ and then the second time it’s slightly more positive: ‘Okay, I know what this is’ and then the third year peoples ask ‘What should I do?’. They start to think about it. It takes its time. And we have stayed systematically with our tools and not changed things along the way.” (Finnish HR manager 2003).

A risk with aiming for a positive climate could be if there was only a change of words and not attitude. Then this would promote ingratiating manners in the organization, something that spreads from managers and throughout the organization: “People in the organization sit and watch the top managers. How the top managers ally without really believing in what they do but they make alliances just to keep their jobs. Smarmy yes-men. And the organization is watching. They see these things crystal clear.” (Swedish sales manager 2003). This quote was of course not used to describe the organization at hand but when talking about how it is in other organizations and how it could be if things did not work out well. To give an organizational example of when a positive language was used to perform an oppressive action was when the HR group talked about how different managers worked with job rotation: “Well, we can call it job rotation but all people in this
room know that the manager in question is just using it to keep the departments in place by sending in his boys” (HR manager 2003).

**Competitive drive**

Above I have described how sport can be used in a metaphorical way, but *the game frame* is not intended as a metaphor, although it is well described using ‘messy’ constructs such as metaphors to avoid coming across as too simplistic. This means that references to sports and games, is a way to recognize the competitive drive. While some managers enjoyed the games, others felt uncomfortable with the competitive aspect. However, competition is an interesting part of interaction, and compared to social interaction in general, competitive interaction in an organizational setting is much more goal oriented. When agreed goals in interaction are not in line with individual goals this might be one reason that the managers feel unease. Some managers might want to play a fair game while others just want to be the winner. This creates a conflict on an organizational level concerning short-term or long-term focus. Managers need to pay attention to both the way they play the game and how to achieve goals. A difference between organization and sports is that in sports the competition is delimited in time to a specific league or event, but in an organization it is a basic premise that influences everyday activities.

At the Business Academy, the managers were told that the dialogue was a key to how the game should be played, but for the players it seemed as if scoring was most important and maybe this was enhanced by the focus on the league and the scoreboard used to sum up between the *years*. The competitive aspect was used in the game to create commitment among the players. In order to win some of the teams acted according to the short-term rules of the game instead of the long-term idea about learning. Based on this, they chose another game tactic in order to get a better position in the league rather than see it as a learning opportunity in the business simulation. Maybe this is a similar situation to being a listed company? One manager, who had experience of working both in listed companies and in the family company Fazer, said that in listed companies it was all about financial results, but in Fazer the owners prioritized products with top quality, and saw the results as secondary to this. The rules were different depending on what game the organization played, and Cloetta Fazer was playing on the stock market where the rules were simple: to win you have to score financially on a quarterly basis.

**How to keep score**

The most pronounced organizational goal was to reach a 12 % gross margin. The management group talked about other goals in the scorecard, for example goals for market share, and they talked about different ways to measure, but at the end of the day it was the financial goals that recurred time and time again as something that the team was almost unanimous about, not to say that they liked it but they knew about it and they worked according to it. One outcome of aiming for 12 % was that managers had to decide when resources should be spent in relation to when the cost
would be reported. At the second meeting one of the KL managers talked about “good result and increased brand awareness” and this was also what the business game simulation was to communicate but it did not seem as if the middle managers perceive this as two pieces of the pie. One explanation could be that marketing efforts and monetary results referred to different frames, and thus to different games with their own rules. Marketing efforts referred to a general marketing frame, where the rules were about long-term brand building. Monetary results referred to the financial frame and due to the short-term perspective in this frame spending money on marketing would be considered a cost, not an investment.

The focus on financial goals was stressed in the business simulation by the fact that they gave a higher score: 20 points was awarded to financial success compared to 10 points for the other areas. Also, the financial figures were used in the same way throughout the organization. This could be compared to production and marketing where they used different scales for measurement. So 12% was a goal they could all relate to, but how should they play in order to reach the goal? What were the rules of the game?

**Fair play**

A general rule was that the managers were expected to play fair. Sportsmanship, fairness in following the rules of the game, had even been transformed into a description of business: *businessmanship*. At the first meeting, businessmanship was the theme and much of the rules presented was actually about working with financial goals and translating them into organizational activities. What was interesting to see, was that even though the rules were quite explicitly explained in order to be able to use them in the game, the managers then got into a process of testing the reliability and validity of the rules. The need to understand the rules within a system, or an organization, can be a possible drive for action in social interaction and especially within a frame that is characterized by a high level of competitiveness. Transparency in the rules of the game could then be one way to create an acceptance of winners as worthy since the rules would be understood and agreed upon.

In the merged company two set of rules had been added into the same organization, and this created some confusion to what game they were really playing. Based on the previous rules for organizational action, it seems as if managers from Fazer had an advantage since they were used to write down and systemize their way of working compared to Cloetta’s verbal tradition when explaining the rules of the game. To have rules in writing created more organizational clearness for the players in the organization. From the KL group a new set of rules had been introduced to replace the old ones, but it seemed as if some managers were unwilling to accept these new rules, and in operative business they kept going as before which created a tendency to pull in different directions. The KL groups’ reaction to this was to stress that
people should be committed to the one company frame. That means that we are back to the notion of one again in terms of shared organizational rules.

Integrative or disintegrative frames?

The coexisting ideas of belonging and competition could maybe be used to understand some difficulties in the integration process, especially if they were trying to combine these two into one fabrication. The faith frame expressed a need for belonging in an almost religious sense that included the desire to reach oneness, to have a shared meaning within the organization, and a feeling that work in the organization made sense. The language used from this point of view was similar to the language used when talking about post-merger integration. The game frame concerned the competitive aspect of business that was not only a question of competition in terms of being a player on the market, but it was also present within the organization, between units, brands and cultures. On the other hand they talked about teams and to talk about teams could be interpreted as an integrative mechanism but it seemed as if they were too many participants in the group to really feel like a team.

When looking at the two frames, the language of the game frame could have a disintegrative effect in the organization. One example would be if internal competition was increased, and organizational teams started to play each other in order to win. On the other hand it points to a basic assumption for business, one that cannot be neglected. Another aspect is that even though I described the faith frame and the game frame as a dichotomy, they are at the same time coexisting and influential in the organization. Although, it seems as if they appear in different ways during the integration process: the competitive aspect pops up as a basic logic, visible for example in the games played but is seldom addressed directly in speech, while the rhetoric of HR was the preferred message when talking about the business on a strategic level in relation to integration.

To sum up, I have used some of the dimensions mentioned to characterize the two ideas of belonging and competition (see table 18). One was the time perspective, where belonging had a long-term perspective while the perspective in competition was short-term gains. This was also expressed in the most prominent objects: the brands and the 12 % margin. Brand building was about creating value for future growth while the 12 % margin was a quarterly recurring measurement. Other aspects that illustrated differences between the ideas of belonging and competition were control, structure and language. Control was expressed as concerning the individual leader when talking about meaningful activities for managers, and as a management control system when talking about setting a structure for a fair game. The notion of structure in the faith frame was that participating in a committed way was a way to achieve a feeling of belonging, while competition meant to accept the top-down hierarchy as a part of the game. Finally, language was about the character
of the rhetoric used to communicate the rules of a frame. The language within the faith frame was characterized by concepts from an HR master frame, while the finance context was referred to in order to enhance a competitive climate in the game frame.

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Table 18. Elements in the faith frame and the game frame.

So what does this mean in terms of way of working? One way to understand how the managers worked at the meetings is to talk about the fabrication of a new frame in terms of framing activities.

FRAMING ACTIVITIES AT THE INTEGRATION MEETING

The fabrication of a new frame

The meetings were described using a dramaturgical vocabulary and when the managers were involved in the process of creating a script for the play, to create a new organizational frame, this could also be described as a process of framing. Framing refer to the activity of trying to influence the interpretation of the current situation. A situation is according to Goffman (1986) constituted on interaction and the interactions rely on keys that give the actors information of what kind of situation it is and what kind of behavior that is expected. In the previous section some keys and frame characteristics were described. Framing occurs when some frame breaking activity takes place and then the interpretation of the situation changes. On one level the meeting was a frame breaking activity since it was introduced as a forum for change and development, and at the meeting the managers efforts to influence the emergence of the new frame was an illustration of the process of framing.

I have mentioned that my interpretation of the purpose of the integration process at the Business Academy was to agree on a shared organizational language. One part in the process towards a shared language was to use references to different frames to legitimize the existence of a new language in the organization. A reference to a frame was also a reference to the language within that frame and to behavioral rules expressed and in line with this frame. The frame that seemed to have the most influence at the Business Academy was the finance frame. That a finance frame has
the most influence over a business might seem like a tautology but there are other possible frames that could have more influence, like a production frame or a marketing frame. Historically the production frame had been influential, this was hinted at in the stories about how the Fazer family members engaged in production in different ways, and the aim of the Business Academy was after the change of CEO in 2002 to shift focus to a marketing frame and to see the brands as the most valuable asset in the company.

Even though one aim of the Business Academy meeting was to integrate managers, the group was divided at the meeting. The idea was that all managers should leave their operative focus when coming to the meeting but at the meeting it often turned out to be a tug-of-war between strategic and operative level. The top managers, the leading troika and a group of functional managers, represented the strategic perspective, and the middle managers, including the country managers, the operative perspective. The country managers did not seem to identify with the overall organizational hierarchical level even though they officially were a part of the top management group. Here, I will describe the top and middle managers framing activities at the meetings.

**Top managers’ framing activities**

At the Business Academy the top managers mainly worked with legitimizing the new frame, the one company frame, and they did this by making references in order to support this frame. This was done by setting the agenda and the references were made to both content and context frames. The content frames that were used as main references were the finance frame and the management frame. The references to context frames were made to support that the managers mixed in different ways to get to know each other. This had the purpose of creating a shared mind-set in the management group: “to reach agreement”. Thus, references were used to support and legitimize a process of homogenization towards something shared.

The use of consultants was another framing activity that had the purpose to legitimize a preferred way of working in the company. The use of consultants could be a way to support the idea of one centralized way of working. Although, as a manager in relation to consultants one have to take the consultants own agendas of selling a service into account, and some of the top managers in Cloetta Fazer were not convinced of the use of consultants: “That’s a classic mistake. If you don’t know what to do, you use consultants to fix things. But if you don’t have clear objectives you will get in a weak position and the consultants control the agenda and they have another agenda than we do. They work with selling their message and their services and make their company prosper. But I don’t want to blame the consultants because they have been as much a question mark as we were about what to do. They did what they could.” (KL manager 2003).
Legitimizing the one company frame by making references to appropriate frames or by using consultants was two ways that the top managers worked to frame the idea of the organization. The CEO occasionally used two other framing activities: storytelling and correction. Storytelling was used to bring the history of Fazer alive and into the new frame and correction was used when the dialogue was not in line with the top managers’ intentions for the new frame. The CEO simply stood up and corrected what was said so that it would be in line with the top managers’ ideas. That the CEO should be active as a narrator at the meeting was expected by the middle managers that attended the meeting and let us now move on to take a look at how the middle managers worked with framing.

Middle managers´ framing activities

Since the agenda was set by the top managers, the framing activities made by the middle managers at the meetings mainly had the character of Czarniawska’s (2005) editing. At the meeting the middle management group sat quite passive and did not say much but their role was to mediate the message out to the different units in the organization. When editing they negotiated the frames in relation to their local unit and tried to bridge between the one company frame and the local situation. This intermediate situation created some problems since the top managers expected the middle managers to take an overall perspective on the organization (to apply the one company frame) at the meeting but during the open dialogue at the second meeting some middle managers question the purpose of the Business Academy meeting. This, in turn, displayed the gap between the top and middle managers as central and local representatives.

Editing the one company frame was done in relation to local units but also to functional differences, like when one manager said that it was possible to achieve something shared in production but not in the marketing department. During editing the paradox of an expressed need for a main frame and the resistance towards the homogenization process emerged from the middle management group. Another tension that came up in the discussion was the Finnish and Swedish management styles. During this discussion the middle managers tried to promote their pre-merger frames by presenting it as the better alternative. An example is when a Finnish manager said that the Finnish way of working was much easier and a Swedish manager answered that the Swedish way of working created more commitment. The difference between Finland and Sweden was also illustrated in reversed meanings, i.e. when people used one example in a positive way to implicitly say something negative about the other. When middle managers wanted to edit what the top management group had stated they often did this by asking questions, a more cautious way to try to frame an issue compared to the top managers who stood up and told the group how things worked.
Among the middle managers another framing activity was commonly used: *reading*. Reading was a silent activity in contrast to the previously mentioned managerial activities used in framing, and reading took place when the managers encountered each other in social interaction. The purpose was to get a face and the outcome of reading could be an increased ability to predict and interpret other’s actions. At the second meeting socializing was put on the agenda after being requested by the middle managers as an important part of getting together. At the meetings there were also examples of how middle managers used *testing* as a complement to reading. A test was when one person verbally made a statement in order to get feedback from others. For example one manager said that the dialogue was used to go fishing for response on ideas, and this was done both in relation to other middle managers as well as to the top managers. In the group work sessions they discussed issues amongst the middle managers (the top managers took a downplayed role the times they were participating in the group work), but during the feedback sessions the middle managers was reading the top managers statements in order to try to make sense of the rules of the game.

The framing activities used by the middle managers had a somewhat different character than those used by the top managers. The activities of editing, promotion, reversed meanings, reading and testing all showed framing as a negotiation process, rather than a passive acceptance of *the one company frame*. In the next section I will take a look at some obstacles to framing that appeared in the organization.

**Obstacles to framing**

**Hierarchical interaction**

One way to understand the difference between managers is to look at their position in the organizational hierarchy. Thus, I have called social interaction between the top managers and the middle managers *hierarchical interaction*. The hierarchical interaction is on the surface much like one-way communication, when top managers in powerful positions state how things should be, but even though the middle managers appeared quite passive at the meetings, this is because they used a different kind of framing activities. One reason for this could be that even though the top management group had some variation in the way they approached *the one company frame*, they still worked with a similar idea that supported the central unit in the organization. The middle managers on the other hand had not fully accepted that they had to change on a local level since, from their point of view, they did not have a need for change.
As showed in the figure above (figure 9), the top and middle managers referred to different frames. The top managers referred to frames that supported the idea of centralization, such as the finance frame, the management frame and the one company frame. The middle managers made indirect references to pre-merger frames by talking about local practices. For example at the second meeting, the question of Finnishness and Swedishness came up, and the balanced scorecard was questioned on the basis that they already had functional local management control system. The top managers used the idea of the balanced scorecard as a reference to argue for and legitimize a change of organizational management control. Some of the middle managers protested against the implementation of a new system since from their point of view this change was not motivated. If they changed systems, they felt that much previously acquired knowledge would be lost, and that there would be problems using the same measurements throughout the organization. Other studies on mergers have shown how the understanding of structural change would not have been possible without recognizing the informal “bottom-up” dynamic (Tainio et al 1991). In Cloetta Fazer the bottom-up dynamic was recognized on an intellectual level but maybe not on a behavioral level. The Business Academy was in itself an attempt to include middle managers as local representatives in the change process, but what happened at the meeting was that when the middle managers questioned the suggested actions, there seemed to be no readiness from top managers to accept the alternative point of views.

**Functions and framing**

One group that questioned a centralized system was the managers from the sales companies and they argued for this by referring to the quite different market situations in different countries. If they kept the local systems this would on the other
hand diminish the influence from the central marketing unit and hinder their ideas of building brands on a Nordic level. The central marketing unit on the other hand, saw possibilities with a centralized system in that they could build brands in the same way in all countries.

In production, people had different systems at the local units, but they were talking about a shared system in a positive way. One way to agree with this way of working was the strategy for specialization of the units that was developed in 2003. The factories would be divided into a chocolate factory (Vanda), a Kexchoklad factory (Ljungsbro), a sugar confectionery factory (Lappeenranta), a Polly factory (Norrköping) and a Dumle factory (Gdansk)\textsuperscript{34}. This change was perceived as quite positive within the production group. One reason that the production managers were positive to centralization could be that the production logic had a strong emphasis on economies of scale. In production they could save money by running longer production batches and buying larger quantities of raw material. Thus, among the middle managers there were different ways to relate to framing as well as between the top managers and middle managers.

**Framing within functions**

Even though production managers were positive to the idea of centralization, a discussion about reducing the number of factories, as a consequence of centralization, generated resistance among the production managers in the organization. To reduce costs was one way to increase the margin, and already from the beginning it was obvious that not all of the five production units were needed due to excess capacity in production but to close a factory could create badwill in the organization. A production manager described that even though they knew from the start that closing the Norrköping factory would save them 30 million SEK, it was not possible due to other reasons.

Manager: “We suggested moving Polly (one of the top brands) from Norrköping to Ljungsbro but they (the KL group) said that we couldn’t do it.”

CB: “Because of?”

Manager: “Call it whatever you like.”

CB: “What would you call it?”

Manager: “Childishness. Can one fly to the moon they can bloody well move Polly to Ljungsbro. I started a project to show that we could do it and we went on for a year but we couldn’t do it but it’s because the whole organization opposed to this. My project manager had the attitude that we can’t do it. Out of political reasons she didn’t want to close

\textsuperscript{34} Kexchoklad, Polly and Dumle are top brands in the company.
Norrköping. But I have four, five people, including the factory manager in Norrköping who say that we can do it, no problem, but it takes time.”

In this case the savings was not related to the margin but to the solidity in the company and since the company had a high solidity this did not motivate actions: “Do we want to make 30 million? Well, we don’t need it today”. Another aspect of this was that the company had a strategic intent to perform other mergers and acquisitions on the Nordic market to establish presence in Norway and Denmark. If this would be the case the existing production lines could be filled with other products, but when the expected acquisitions did not take place measures had to be taken. What happened in the mean time was that the Norrköping factory was left to die of starvation: “We need to invest about 15 millions to keep the factory going, but today we’re investing five. It’s emergency rations.”

The reactions in the production group suggest that managers might use the frames that are most appropriate for their own needs. If you are a top manager you argue for your position by using frames that promote centralization because this will give you more power, while if you are working as a middle manager on a local unit that is under the threat of closure you will argue against this using a frame that support the local existence. Who is right then? Well, both groups have strengths and weaknesses in their argumentation but due to the hierarchical interaction the top managers will probably get their way due to positional power. What top managers could do is to learn more about the local situations from the middle managers so that they do not destroy company values just for the sake of frame alignment.

Frame alignment

At the second meeting the managers engaged in a discussion about soft issues, and the specialized culture consultant that was called in to lead this discussion emphasized the dialogue as a tool. This resulted in an open discussion, not only about leadership and culture, and some of the middle managers expressed dissatisfaction with some aspects in the organization and they also questioned the Business Academy and its purpose. The answer from the KL group was that “the thread has been to reach agreement”. But the approach of homogenization was questioned: “We talk about talking, but what about the ability to listen? We deal with so many different issues but do they correspond to our needs? What about the needs that the organization has? Are those needs met or do we just talk about issues that top management thinks are important?” (Swedish middle manager). The split between the KL group and the middle managers emerged: “Maybe it’s very clear for the top-top-management, for you guys in KL, but not for all people. This is change management, and change doesn’t work until we change our mindset and then the

35 20 September 2004 the company announced the closure of the Norrköping factory in 2005/2006 and 22 Mars 2005 the company announced the closure of the Polish factory in 2005 (the closure of the Polish factory was completed 28 December 2005).
“attitude but we’re not there yet” (Finnish middle manager). Even though the KL group tried to open up for dialogue it seemed as if the middle managers perceived this as a political act that stood in contrast to the ongoing implementation of a control system on top of existing systems.

The top managers’ goal was frame alignment, expressed as creating a shared culture. It seemed as if the middle managers was not opposed to this idea since they expressed a need for guidelines, but what seemed to bother them was that the framing was performed in a top down rather than in a bottom-up way. This could be explained by the integration effect that many middle managers got less influence over their activities than before the merger and that the critique was an expression for loss of power. On the other hand the middle managers worked close to the operational business activities and saw the effects of centralized decisions in their everyday surroundings.
SUMMARY OF “FRAME ANALYSIS OF THE INTEGRATION PROCESS”

This chapter in short: to bring out frames active at the meetings

Based on the assumption that frames provide people with meaning, that in turn influence how they act, I have interpreted the patterns found in the empirical material as representing frames active at the meetings. First the frames per meeting were summarized. Then I compared the frames in relation to the process, i.e. appearances of frames at the three meetings. Based on the character of the frames they were separated between context and content frames. Context frames were mainly active in the physical framing of activities and they guide people in how to act depending on how they interpreted the situation. An example was the classroom frame that suggested that the managers sat quiet and listened when the teacher talked. Content frames were related to the themes for each meeting and showed what was selected as relevant content in the creation of a new frame in the management group, and this went from introducing the finance language as the appropriate language in the group, via a discussion about whether leadership or management was most suitable in the organization and ended with an accentuation of the one company frame. Then there were two other frames that appeared at the meetings, the faith frame and the game frame, and they can be said to each represent integration and business as two parallel processes. The faith frame corresponded to the idea of one company and the shared culture that was mentioned in the beginning as a desirable outcome of the integration process. The game frame on the other hand represented the business logic that was based on being a player in a competitive game.

All the frames mentioned were in some way related to the framing of a new organization. After the description of the frames, a comment was made on how the managers worked with framing at the meetings. In the chapter Creating a shared frame of reference, I mentioned Czarniawska’s (2005) concepts translating, editing and inscribing as examples of framing activities that I could expect to find at the meetings. Out of these three, the act of editing was found among the middle managers. However, other activities appeared in the fabrication of a new frame, and I want to point out that top and middle managers used different framing activities. Top managers worked with legitimizing change towards the one company frame by using references, consultants, storytelling and correction. Even though the middle managers had a downplayed role at the meetings, their acting showed framing as a negotiation process rather than a passive acceptance of the one company frame. They used framing activities, such as editing, promotion, reversed meanings, reading and testing, to try to adjust the one company frame to their operative reality. That meant that the middle managers made references to the existing operative local frames, while the top managers referred to master frames that supported centralization. This situation created hierarchical tension in the group.
Summary of the frames at the Business Academy meetings

A summary of the frames that were found in the analysis of the meetings are presented in the table below (table 19), together with keywords that show characteristics for each frame based on the previous descriptions. Some frames are divided between master and organizational levels of frames. These are frames that appear in relation to content at the meetings. The other frames mentioned are related to the setting, the context, at the meeting. With regard to the two context frames mentioned, they appeared at the three meetings but while the importance of the playing field frame diminished over time, the classroom frame was used in a more pronounced way. The basic frames and the pre-merger frames are also added. The basic frames appeared at the meetings, and seemed to represent different perspectives on organization. These frames were not addressed, but they appeared in conversation at the meetings. The pre-merger frames represent how the managers talked about the Cloetta and the Fazer cultures in interviews and, despite the emphasis on culture as a factual explanation, these frames were not a prominent feature of the integration discourse at the meetings.

<table>
<thead>
<tr>
<th>The Business Academy</th>
<th>The first meeting: Act I</th>
<th>The second meeting: Act II</th>
<th>The third meeting: Act III</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The playing field frame</strong></td>
<td>Well-known</td>
<td>Well-known</td>
<td>Well-known</td>
</tr>
<tr>
<td></td>
<td>High degree of organization</td>
<td>High degree of organization</td>
<td>High degree of organization</td>
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<tr>
<td></td>
<td>Play by the rules</td>
<td>Play by the rules</td>
<td>Play by the rules</td>
</tr>
<tr>
<td></td>
<td>Team interaction</td>
<td>Team interaction</td>
<td>Team interaction</td>
</tr>
<tr>
<td><strong>The classroom frame</strong></td>
<td>Ongoing organization of frame</td>
<td>Questioning of frames</td>
<td>Ongoing organization of the new frame</td>
</tr>
<tr>
<td></td>
<td>Setting rules</td>
<td>Multitude of frames</td>
<td>Setting rules</td>
</tr>
<tr>
<td></td>
<td>Top-down interaction</td>
<td>Reflection</td>
<td>Top-down interaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dialogue</td>
<td></td>
</tr>
<tr>
<td><strong>The finance frame</strong></td>
<td>Master level</td>
<td>Master level</td>
<td>Master level</td>
</tr>
<tr>
<td></td>
<td>Financial terminology</td>
<td>Establishing direction</td>
<td>Matrix cooperation</td>
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<tr>
<td></td>
<td>Market logic</td>
<td>Aligning people</td>
<td>Agents in line with the system</td>
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<td></td>
<td></td>
<td>Motivating</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Inspiring</td>
<td></td>
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<tr>
<td><strong>Organizational level</strong></td>
<td>Organizational level</td>
<td>Organizational level</td>
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</tr>
<tr>
<td></td>
<td>Businessmanship</td>
<td>Individual</td>
<td>Homogeneousness</td>
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<tr>
<td></td>
<td>Goal orientation</td>
<td>Low degree of organization</td>
<td>High degree of organization</td>
</tr>
<tr>
<td></td>
<td>Inconsistency</td>
<td>Swedishness</td>
<td>Normative control</td>
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<tr>
<td></td>
<td></td>
<td>Female aspects</td>
<td>Rule guided</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bottom-up</td>
<td>Strategic ideal</td>
</tr>
<tr>
<td>The management frame</td>
<td>Planning and budgeting</td>
<td>Organizing and staffing</td>
<td>Controlling</td>
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<tr>
<td>Master level</td>
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<tr>
<td>Organizational level</td>
<td>System</td>
<td>High degree of</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>organization</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Finnishness</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Top-down</td>
<td></td>
</tr>
</tbody>
</table>

| The faith frame      | Belonging               | Long-term               | Brands      |
|                      | Leadership              | Participant             | HR rhetoric |

| The game frame       | Competition             | Short-term              | 12 % margin |
|                      | Management              | Hierarchical            | Finance rhetoric |

| The Cloetta frame    | A market frame          | Swedish                 | Slow start, smooth process |
|                      |                         | Long time is quality    | Old company |
|                      |                         | Middle-class            | Learning by doing |
|                      |                         | Production volumes      | Function |
|                      |                         | Individual leaders      | Slimmed organization |
|                      |                         | Responsive to market    | |

| The Fazer frame      | An industrial frame     | Finnish                 | Quick start, trial-and-error |
|                      |                         | Short time is efficient | Old company |
|                      |                         | Upper-class             | Academic traditions |
|                      |                         | Brand building          | Matrix |
|                      |                         | Oversized organization  | |
|                      |                         | Management system       | Systematic planning |

Table 19. A summary of frames and some key words to describe them.
One aspect that I have thought about concerning frames is that they are described in quite a general way, both in previous literature and in this study. This was one advantage with the concept since it gave me the possibility to talk about the variety that I had encountered in the analysis of the meetings. Thus, it is a suitable concept to capture several dimensions in order to describe social situations, but the vagueness of the concept also raises some questions, such as what can I say about the extent of a frame? Why did the frames have such different characteristics, and are there some common features in the frames mentioned above? Based on the descriptions in the table, I think that one way to understand the extent of a frame (in terms of how broad or narrow it is) is to look at the historical development of that frame. The pre-merger frames were quite elaborated in the organization studied, compared to the temporary and/or master frames that appeared at the meetings. When it comes to common features in the frames, my intention has not been to build a theory based on my observations. However, in the description of the playing field frame above, I introduced language – role – norm system – frame as keys to understand interaction at the meetings. My suggestion is that these dimensions could be used in a general way to find out what to pay attention to and how to understand different situations. The frame contains a norm system and within this system there can be different roles. The relationship and definition of frame, norm system and roles are created via, and expressed through, language. Thus, social interaction during a post-merger integration process is a communicative interplay to express and create frames at work.

Reflecting on integration

When it comes to the frames active at the Business Academy meetings, they had a high degree of organization. Is this because a high degree of organization is needed to achieve integration? When looking at the empiric material it seemed like it was, since the content frames were about how to organize the emergent notion about the new company. The one company frame that guided the presentations at the last meeting could in one way be described as the ultimate organization with only one alternative. Parallel with the fabrication of the new company, based on context and content frames, there were also the faith frame and the game frame. These frames represented the need to belong and to face a competitive environment, two issues that the managers had to deal with. The need to belong seemed more in line with the integration rhetoric and the need to be competitive was in line with everyday business activities. This raises the question of the need for integration. How should the tension created between the idea of integration as assimilation and the idea of being a player on the market be comprehended? One alternative could be to understand what activities that could be supported by integration and what activities that did not benefit from uniformity.
Reflections on the integration process
THREE COMMENTS ON INTEGRATION

In this chapter, I take up three aspects of integration that I will make some further comments on. Firstly, I suggest that integration should be approached as an outcome, as well as an objective. Secondly, I illustrate the integration discourse as characterized by both heterogeneity and homogeneity at the same time. Thirdly, I present a way to conceptualize the integration process. I suggest that based on the conditions for socio-cultural integration, the understanding of the change process could be furthered by looking at the organization as a game. By doing this, the expectations among the people involved could become about rule setting rather than about achieving unity. This takes the process from an abstract, strategic level to a more operational level, something that was sought-after among the managers in my study. The reflections in this chapter are based on my findings when exploring how the management group strived to achieve socio-cultural integration.

APPROACH TO INTEGRATION

Integration as an objective or as an outcome?

One starting-point for the study of Cloetta Fazer was an interesting contradiction with regard to socio-cultural integration. The managers expressed a simultaneous idea of achieving oneness, in terms of a new culture, and of keeping the essence from the old cultures as brands in the new company. The structural integration was in place after one year and the financial goals were reached after two years. Socio-cultural integration was still undeveloped three years after the merger, and even though there were positive voices about being one company, this was not something all the managers agreed on. Some managers even left the company in protest against the course of development. It is interesting to note that a majority of the managers looked at the Cloetta Fazer combination as an example of a successful merger36, at the same time as they were not satisfied with the integration process. I think that this can be seen as an indicator for how tough and complicated this process can be.

In the previous chapters, I made some reflections on what we can learn about integration, and the purpose of this was to add to the understanding of the integration process. One basic distinction that I made was between structural and socio-cultural integration as two modes with different characters. Structural integration was associated with changing aspects of the organization, while socio-cultural integration implied changing how people worked in relation to each other.

36 If this will go down in history as a success or as a failure remains to be seen since there are other aspects that influence the overall impression. In the epilogue you can read about the conflict between the owners and this is one part of the merger that has not worked at all.
In the study of the integration process, each mode of integration seemed to be represented by different perspectives. Based on how the managers worked with integration, it seems as if structural integration could be planned fairly well ahead, compared to socio-cultural integration that was based on engaging in discourse. I see the structural and socio-cultural modes as representing a design and a sense-making perspective respectively. In structural integration, the managers worked according to a design perspective. They set up plans before the merger and carried them out during the first and second year after the merger. When they tried to use the same perspective for working with socio-cultural integration, this created frustration. I suggest that an emphasis on the relationship between socio-cultural integration and a sensemaking perspective could have provided more realistic expectations among the people involved concerning this aspect of integration. Frommer (2001) showed how aspects such as the marketing of the merger, the potential synergies mentioned, the merger terminology employed, the notion of a need of integration and the management of post-merger integration, influenced organizational members expectations of integration. In Cloetta Fazer, the notion of one culture was an example of a shared expectation, but I think it is necessary to question what one culture means in relation to socio-cultural integration, due to the emergent nature of socio-cultural processes.

Different modes of integration, based on different perspectives, would mean that integration could benefit from different approaches (see table 20). My proposal is to talk about two approaches: integration as an objective and integration as an outcome. When managers work with planning for structural and socio-cultural integration, they have the possibility to relate differently to objects depending on their approach to integration. In structural integration objects could be seen as designed measurements for follow-up: objectives. In contrast, objects in socio-cultural integration would be seen as an outcome. This means that objects could function as guides in the process towards an unknown emergent state of being. This would require a far more flexible approach than when working with structural integration. Moreover, this separation of approaches might be difficult to maintain in all situations, since structural integration can be used to achieve socio-cultural integration.

<table>
<thead>
<tr>
<th>Mode of integration</th>
<th>Integration perspective</th>
<th>Approach to integration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural integration</td>
<td>Integration as design</td>
<td>An objective</td>
</tr>
<tr>
<td>Socio-cultural integration</td>
<td>Integration as sensemaking</td>
<td>An outcome</td>
</tr>
</tbody>
</table>

Table 20. Approach to integration based on different perspectives and modes of integration.

When looking at how they approached socio-cultural integration in Cloetta Fazer, they worked with oneness more as an objective rather than as an outcome. Instead of being open to other solutions, the idea of achieving oneness seemed to become stronger over time. The Business Academy was a suitable arena for an emergent
process towards agreement on how to work. The managers described how the face-
to-face interaction was crucial for developing and accepting new frames. Even
though they worked towards one shared frame in this case, one could question if
there really was a need for one single frame. What would have happened if the
managers for example had decided to focus on functional groups as an alternative?

**Functional groups as a guide to adequate integration**

In Cloetta Fazer the notion of oneness, of being *one* in a deeper sense than just
having the same legal structure, was a persistent idea in the organization. On the
other hand, it did not seem to apply to or guide operational activities. The countries
had problems with different goals and parallel imports due to different prices, and
they acted as autonomous units. An additional example was the different prerequi-
sites between the marketing and the production department. The focus of produc-
tion was internal efficiency and they based their activities on economies of scale. In
marketing and sales, they worked with brand building of the prioritized brands in
order to create future value that would secure the survival of the business. They
needed a customer and consumer orientation, and they needed to adjust to different
market situations. Although there were tendencies that the Nordic markets were
converging, they still had quite different characteristics and the company had
different positions on the markets, something that contributed to the ambiguity that
the managers faced during integration. To consider organizational ambiguity during
integration, in terms of differences between and within groups, can be one way to
enable a discussion about how to find an appropriate level of integration. One
advantage with an ambiguity approach is that it can make people in the organiza-
tion involved in the new situation, and this creates an environment where the risk of
losing key people decreases (Risberg 2001), something that otherwise can be a
problem after a merger.

In addition to considering functional groups during integration, organizational
integration could also be guided by the “principle of minimum intervention”
(Schweiger et al 1993), i.e. to try to integrate as loosely as possible. One way to do
this could be to support cooperative ventures demanded from the functional groups,
rather than ventures supplied top-down. This shift from supply to demand would
mean to only integrate if it really is necessary and asked for by groups within the
organization. A problem with this approach is that it would change the role of the
top managers from executors to coordinators. The middle managers would get a
more influential role in the organization. In the case described, the middle
managers were competent and interested but at the same time, they complied with
the top-down control that was a result of the one company frame. This is the
dilemma of control and conformity. The organization provides order as a condition
for fulfilling its goals, social order requires conformity and imposes limitations
(Tannenbaum 1962). This means that awareness of the organization as something
that is multifaceted, contrast with the idea of a clear-cut system for control. This was also reflected in the two main streams of the integration discourse.

THE INTEGRATION DISCOURSE

Frame heterogeneity and homogenizing frames

What I find interesting is that the integration discourse was characterized by heterogeneity and homogeneity at the same time. With regard to integration as a heterogeneous discourse, below I will talk about the multifaceted process where different frames were active at the same time. In contrast to this was the idea of homogeneity concerning the issue of control, something that was prevalent among the managers. In the frame analysis, I mentioned that top and middle managers worked with different framing activities. Top managers worked to legitimize the one company frame as a homogeneous alternative, while middle managers wanted the frame to include heterogeneity. However, in the interviews, the same manager could actually express heterogeneity and homogeneity concerning the integration at the same time, regardless of his or her hierarchical position. Thus, I would like to emphasize that here, I am concentrating on what was revealed in the integration discourse.

Heterogeneous aspects of the integration discourse

The merger as a clean slate

Why did the integration discourse display such a multifaceted appearance? Previous studies support the idea that a merger can be a route to organizational renewal and that this adds to the complexity of the integration process. Thus, the change process after a merger not only deals with the integration of the merged organizational units but it can also include a wider socialization process (Leroy and Ramanantsoa 1997). The idea of best practice was popular among the managers and I think that this idea grew into something more than just a combination of two organizations. The increased attention on organizing during integration created a situation where managers wanted to change the organization in a more profound way, rather than to integrate two organizations in a sufficient way. This raises the question of how managers could be aware of what a sufficient level of integration could be. How was the expectation of oneness related to the integration process? To see the post-merger integration as an opportunity to start anew, meant that the integration process was a bundle of different change processes in one.

Frame shifts: from horizontal to vertical orientation

What happened during the integration process due to the increased complicatedness of the discourse after the merger? When looking at the integration process over time, the organization moved from a horizontal to a vertical orientation. To inte-
grate perfectly, based on the notion of being one, became more important than to integrate in a sufficient way to be able to keep on with business. This can be exemplified by a description of two frame shifts that took place during the integration process. From the beginning, the integration process in Cloetta Fazer was characterized by tension between cultures. This tension had a horizontal orientation, i.e. it was tension between different organizational units. To deal with the horizontal tension, the solution chosen by the top managers became to talk about the integration of units and about belonging, the faith frame. This was a first shift of frames, from pre-merger frames to the faith frame. The focus on integration in the faith frame challenged another frame, the game frame, which represented the competitive side of business. The tension between these two basic frames had a vertical orientation, and a conflict between the top and middle managers arose. Top managers wanted to centralize activities while the middle managers wanted to belong as organizational co-creators, not as a passive audience. This brought about another shift of frames. The top managers’ solution was to create a content frame that corresponded to the two basic frames, the faith frame and the game frame, at the same time: the one company frame. This frame emphasized belonging as the answer to competition, i.e. in order to belong, people in the organization had to conform to the management control system in order to create a competitive organization.

Due to its financial focus, the one company frame held the possibility to both providing an understanding for how to run business in the future and providing a clear picture of the organization. Then people could conform, in order to feel belongingness or if they did not like the system, they could choose to leave the organization. The downside of the one company frame was the short-term focus that could be negative for the organization over time. Another problem of this frame was that it could foster group thinking. “Implicit shared frames of reference can lead a decision making group to seek premature concurrence. Janis (1972) identified three consequences of group think: symptoms of defective group discussion (overestimation of the group, closed-mindedness, and uniformity pressures), which lead to symptoms of defective decision making (e.g., incomplete survey of alternatives, selective information processing) which will result in a low probability for a successful decision.” (Auer-Rizzi and Berry 2000, p. 282). In the pre-merger frames, the different decision making styles were mentioned as a problematic area. This was something that the managers wanted to overcome when they created a new frame, but by choosing a narrow frame that had the potential to encourage group-think, with its negative consequences, this could unfortunately leads to deficiencies in the outcomes of decision making.

Another possible problem with the one company frame was an increased internal focus because of overly tight constraints and strong bonds to peers. Perri (2005) captured the shift from external to internal orientation by talking about the shift from a market frame to a hierarchical frame. Ordered rational authority characterized the hierarchical frame, and in its extreme, it was about subversion, where the priority is to exercise surveillance. This frame was the opposite to the individual-
istic frame, characterized by loose constraints and weak bonds to peers in a market-like situation, but the two frames matched in their view that “there are in fact (italic in original) so many people with something to hide that should be controlled” (Perri 2005, p. 111). Perri used these frames to talk about the framing of risk, but I see them as useful to understand the framing of integration as well. The seeming similarity between the market and the hierarchical frames could explain that managers slide over to a vertical orientation (hierarchy) even though they think they have a horizontal orientation as actors on a market. However, the tension between vertical and horizontal orientation was only one of many dichotomies in the integration discourse.

**Tensions in frame dichotomies**

The shift of frames discussed above was an illustration of the inherent complexity of the integration discourse. This raises the question of whether the discourse consisted of a bundle of incoherent discussions or if some patterns could be described. One pattern in the discourse was that it had the character of tension between dependent dichotomies. There was tension between the pre-merger frames, the Cloetta frame and the Fazer frame, with their different characteristics. Another tension described above is between the basic frames, the faith frame and the game frame, each of which emphasized belonging and competition. Rowlinson found a similar dichotomy in a study of Cadbury, and meant that the conflict between belonging and competition arose because of the post-merger integration process enhanced difficulties encountered in everyday activities (Rowlinson 1995). The context frames, the classroom frame and the playing field frame, suggested that people would either be active players or passive receivers. The tension between the content frames, the leadership frame and the management frame, was whether control should be exercised through individual leadership or through a management control system. The one company frame, which on surface appeared like a solution to frame dichotomies, had a tension of an in-or-out character. Either the middle managers could accept this frame, and stay in the group, or reject it, but then it was difficult for them to stay in the organization. The one company frame was one of many frames that appeared in the discourse, and in that way, it contributed to heterogeneity, but at the same time, the one company frame was an illustration of the homogenizing aspect of discourse.

**Homogenizing aspects of the integration discourse**

**Are we producing chocolate, brands or cash?**

It has been shown in previous studies that if managers are interested in creating change they also have to understand particular constructs, or frames, that have an influence over the change process (Bartunek and Franzak 1988). The managers in Cloetta Fazer had made an attempt to map the old cultures (the pre-merger frames) and to present an alternative frame for future development. The companies had historically been dominated by production orientation but at the Business Academy
the new CEO intended to change orientation towards brands and marketing as central for the new frame. However, the idea of introducing a marketing frame was overruled by the finance frame at the Business Academy. During interaction at the meetings, the main focus was on a management control system and in this system, the financial measurements were the ones that got the most attention. This focus on financial figures, with the margin of 12 % in front, was excused by referring to the stock market. Thus, the combination of a 12 % margin and growth for the prioritized brands was in itself a difficult combination. When talking about goals, it was the rules connected to the finance frame that dominated the discourse and that in practice made the 12 % a prioritized goal.

The group at the Business Academy meetings consisted of managers with different functional backgrounds, but at the meeting they were expected to act like general managers, not functional managers. The language that was to unite the whole group was the language of finance. The choice of finance as the language showing the ruling principles might seem obvious for a listed company, but this was not the case in Cloetta Fazer. Before the merger HR, IT and finance were described as support functions, and production and marketing were two alternative ways to describe the business. Should the company be production oriented, i.e. be cost effective and sell whatever was produced, or should the company go for building strong brands? Push or pull? The CEO wanted to emphasize a marketing and brand orientation based on the belief that strong brands would be the way to survival. What happened at the meeting was that instead of a marketing focus, it seemed as if the company was primarily focusing on financial aspects. The measurements previously used by the support function, finance, to measure what had happened historically, was now to be used as guiding stars for the business. Other studies have shown how “we come to believe in the primary framework of accounting as a (significant) part of our culture” and that “the way accounting is used is not an objective theoretical use of information for decision making, but rather the use of information for impression management purposes” (Skærbæk 2005, p. 409) To use the finance frame as an important influence in the creation of the one company frame is maybe a good way to work for a listed company, but it is neither the only way to work, nor a universal way of working.

One frame to guide them all

The integration discourse in Cloetta Fazer was characterized by many voices, but at the same time, the managers talked about an idea of one shared frame for the new company. Similar ideas concerning a one-company discourse have been found in other merging organizations as well (Söderberg and Björkman 2003). In Cloetta Fazer the way to reach a shared frame was via homogenizing. A reason that people saw the need for a shared frame was that it would provide rules that were the same throughout the company.
During the time of my study, people said that it was hard for them to fit their actions to the ongoing changes. One reason for this could be that the KL group had the ambition to centralize everything, while the middle managers tried to understand what this would mean in relation to the specifics that they encountered in their everyday business on a local level. People did not share a framework for interpretation and things got confused. “A strip of activity will be perceived by its participants in terms of the rules or premises of a primary framework” (Goffman 1986, p. 247). Thus, if a primary framework was not set, the lack of rules created insecurity among the participants. At the same time they were not passive actors but involved in the act of creating the rules for the organization. In the on-going process the top managers worked to legitimize the new frame and the change activities that would lead to a new frame. “In cases where legitimization was missing, employees invariably complained about unclear goals and expectations. A tentative conclusion may be that answers, given to the “why” of change, offer employees a framework of slightly changed interpretations and preferences that sustain the process of making sense of changed goals and expectations, as communicated to them by management.” (Bijlsma-Frankema 2001, p. 204). Since there were legitimization activities at the meetings, it was more a question of being in the process of change rather than having achieved the expected level of integration.

The heterogeneity and homogeneity dichotomy

As described above, the merger was followed by an integration discourse characterized by the heterogeneity – homogeneity dichotomy, the tension between diverging and converging forces. The inherent tension between them means that there is no final solution and then integration becomes about finding a temporary state within the continuum defined by the dichotomy heterogeneity - homogeneity. As I see it, this corresponds to the paradox that was described in the beginning of this thesis: to create a new culture while at the same time keeping the old ones. The old cultures have been named pre-merger frames in this thesis, and together with the frames that emerged in the integration process, they created heterogeneity in the discourse. The growing heterogeneity seemed to be perceived as a problem by the managers. At the second meeting the discussion about leadership and management gave room for alternative frames to emerge. The reaction to this was a cancelled meeting, when the managers reworked their strategies. This new strategy was presented at the next meeting, and the solution to the tension was to choose a homogenizing strategy: the one company frame. However, it was not entirely clear if the homogenizing strategy was an expression for a will to dominate or if it was an expression for a social agreement. This strategy seemed like a way to dominate and control the organization. An alternative could have been to talk about a shared frame in terms of social agreement, and below, I will suggest that one way to do this is to focus on the game frame.
SOCIO-CULTURAL INTEGRATION AS A GAME

Tension during integration

To discuss the integration discourse as characterized by tension between dichotomies could be one expression of competition, something that is a basic condition in games. The competitive aspect was also hinted at in the interviews. After telling me the official story about organizational best practice as a way to achieve synergies after the merger, one of the managers gave a personal reflection on what had just been said:

“This is how it should be if we were mature people. We’re supposed to act professional. This is how it should be. This is how we should act and think and look at best practice. In reality things don’t turn out that way. A Swede won’t say that best practice is how they do it in Finland and a Finn won’t say that they have the best practice in Sweden. If we have one purchaser from Sweden and one from Finland and the Finn say ‘This is how we’ll do it. We have done it like this and we have superior figures.’ and the Swede say that ‘Yes but I have done this 25 years and I have all the connections in this business. They all know me.’ so what is best practice then?” (Finnish manager 2002)

To take competitiveness into consideration means that integration would be less about people acting as a cog in the wheel for the greater good, and more about people having their own perception of what is best for the company. This means to put an emphasis on the game frame rather than on the faith frame. At first sight, as described in the chapter Frame analysis of the integration process, the faith frame seems to be working integrative, compared to the disintegrative game frame, but here I would like to point to the integrative features of the game frame. The faith frame represented a need for belonging, a sensemaking process, while the game frame illustrated the organization as a game, which would mean that after the merger people were engaged in finding out the rules of the game. Weick (2001, p. 8) used an analogy between the game of Mastermind and sensemaking to illustrate what sensemaking was; “The object of Mastermind is for a codebreaker to duplicate the exact pattern of colored pegs inserted into holes that has been created by a codemaker but is concealed from the codebreaker by a shield. The codebreaker ventures hypotheses as to what the pattern might be and, on the basis of information supplied by the codemaker, refines the hypothesis until the codebreaker’s hypothesis exactly matches the codemaker’s original pattern. Mastermind is precisely what sensemaking is not.” What Weick wanted to show with this analogy was that sensemaking is about the ability to deal with unknown territories, not to find the one true pattern hidden behind a shield. However, in the study of the integration process it seemed as if there were two processes going on at the same time: to make sense of the new situation and to “find the code that was concealed behind a shield”, i.e. reading managers higher in the hierarchy to find out
the accepted way of working (each process representing the faith frame and the game frame respectively). My point with emphasizing the game frame is that this could provide a link between socio-cultural integration and everyday operations, between a social agreement on what game to play and the rules of the game.

Assumptions of the game

One starting-point for talking about the organization as a game could be to use the frame concept. As I mentioned in the Prologue, a problem with the frame concept is that much of the sociological literature refers to everyday situations and not to corporate organizations specifically. There are similar assumptions in organizations and in everyday life, but organizations also have their own characteristics. After performing this study, I found that what I call the game frame could be a prominent aspect of everyday life during a post-merger integration process. It reveals that interaction in organizations is based on tension between dichotomies. In stable organizations, tension is restrained by basic rules that define the constituent events of a game. When it comes to the basic rules of a given game, Garfinkel (1963) gives the following three properties to describe constitutive expectancies:

1) “From the standpoint of a player, out of alternative territories of play, numbers of players, sequences of moves, and the like, they frame a set that the player expects to choose regardless of his desires, circumstances, plans, interests, or consequences of choice either to himself or to others.
2) The player expects that the same set of required alternatives are binding upon the other player as are binding upon him.
3) The player expects that, as he expects the above of the other person, the other person expects it of him.” (Garfinkel, p. 190)

These constitutive expectancies serve as an important condition of concerted actions. To illustrate conditions for stable concerted actions Garfinkel (1963) made an experiment based on the game of tic-tac-toe. One of the players was instructed to make rule-breaking moves, such as putting the mark on the line instead of in the square. What they learned from that study was that deviant behavior motivated attempts to normalize the discrepancy, either by accepting the move as legitimate or by attempting to retain the constitutive order without alternation. “The natural tendency of people is to minimize and/or rationalize events that do not match their values systems or their frames of reference” (Roux-Dufort 2000, p. 28). The normalization process maintains the illusion of control among decision makers, it prevents excessive emotional overload and it reduces ambiguity (Roux-Dufort 2000). Based on the study of the integration process, it seemed as if managers were more inclined to try to retain the constitutive order without alternation, rather than to play along and accept previously unknown moves. This could be one explanation to why it was so hard to achieve something new: the managers worked to retain the order they knew from the old game. Based on this, it would be more appropriate to
talk about the integration process as a normalization process. However, since they had in fact merged, this meant that they could not return to the old way of working. Instead, they had to create a new state of normality with time.

The old game in Cloetta Fazer was expressed in terms of culture. The discourse of organizational culture has been shown to be normative in merger situations: it disciplines what can and cannot be said (Riad 2005). When a normative heritage is challenged in international settings, people tend to aspire to more national/regional (normal) interests. An alternative would be to shift normative parameters in a process of rethinking and adapting (Hyde-Price and Jeffery 2001). Using evolutionary game theory37 Kolstad (2007) showed how patterns of behavior emerged over time through a process of adaptation, and how social norms were formed and maintained. Kolstad showed how one important relation was that between norms and organizational structures. Thus, activities such as introducing a code of ethics must be accompanied by a supporting structure in order to affect behavior. At the Business Academy, the top managers were unwilling to talk about rules or norms, even though people agreed that the problem was found in the way of working (guided by norms). At the same time, the assimilation process aimed at creating a shared mind-set, which is similar to normative (cultural) control (Kunda 1992). Even though Kärreman et al (2006) have found that different forms of control are interrelated, the idea of one shared mind-set was dominant in the merging company. But both control in different forms and a shared mind-set can be boiled down to a set of rules for appropriate behavior.

Setting the rules of the game

To talk about rules of the game accentuates the idea of social agreements as openly recognized norms. Therborn (2002) states that a norm has three messages for us: (1) it tells us what something is, (2) it shows us what is normal (in the distributive structure of a population) and, (3) a norm tells us what we ought to do. In the business organization we have to consider several synchronic norms, like for example legal, ethical and situational norms. Differing legal environments that determine the rules of the game are of special interest for companies working on an international arena (Pincus and Belohlav 1996). Another way to talk about norms and rules was introduced by Searle (1979), who named two types: regulative and constitutive rules. Regulative rules regulate pre-existing activity, but the activity exists independent of the rules. One example is etiquette that regulates interpersonal relationships, but the existence of these relationships is not dependent on the rules of etiquette. Constitutive rules on the other hand, regulate activity but they also define new forms of behavior. Searle gives the example of playing football.

37 One example of a game is the Prisoner's Dilemma, when individuals choose one of two strategies: cooperate or defect. This game highlights the conflict between what is individually (defect) and collectively (cooperate) desirable.
The game of football is constituted by acting in accordance with the rules. Football does not exist without these rules.

How does this translate to the merged company? For a company, the constitutive rules are found for example in accounting standards, environmental or labour laws, etc. that companies are obliged to follow. With regard to the financial accounting rules Mouck (2004) pointed out that “once the rules have been established, certain representations based on those rules may be said to be epistemologically objective with respect to those rules, even though there is no objective basis for the rules themselves” (p. 525). The constitutive rules are created and modified by standard-setting bodies, such as the FASB\textsuperscript{38} in the case of financial accounting rules. The other kind of rules, regulative rules, were exemplified by etiquette. Etiquette is a social rule that regulates activity or interaction but interaction exists independent of these rules. Even though the managers did not talk about etiquette during the study, they talked about organization specific ways of working as explanations of behavior.

Sometimes the rules of etiquette are explicitly expressed in manuals for how to act in the company. Sometimes the rules for how to behave are internalized and fuzzy and people are not really aware that they are following rules. During the integration process after the merger, people encountered explicit and implicit rules when working together. The constitutive rules were easier to work with since people sometimes had followed the same rules before the merger, for example in the accounting department where they work according to international guidelines. In relation to cultural frames on the other hand, people worked according to regulative rules and these seemed to be the hardest to deal with. To deal with different kind of rules, or norms, my suggestion would be to address norms directly, so that they can work in a productive way during a change process. This does not necessarily imply converging into a shared mind-set. Instead, it could be about providing a norm system that allowed some degree of freedom for the way of working in the organization.

What’s the name of the game?

I suggest that integration in terms of a game has two implications. The first one is that by addressing the game frame, as a complement to the faith frame, brings the integration process from an abstract to a more concrete level. To be able to play the game, people need to agree on what the rules are. In order to agree on the rules, they have to engage in a discussion when norms are brought to the surface and related to the current setting. To talk about rules and conditions for playing a game makes it possible to have a fair game and sportsmanship. The other implication is that in the setting of the rules, managers have to simultaneously consider heterogeneity, as a diverging force in the process, and homogeneity, as a converging force. The interplay between these forces creates a basic condition for organizing.

\textsuperscript{38} Financial Accounting Standards Board.
This does not mean that they should strive for a perfect balance between the two, and it is not about meticulous control. From this point of view, the game of integration is about providing a frame that states the socially accepted freedom of action in the game.

When it comes to the choice of frames, another reflection based on the frame analysis was that it seemed as if the frame with the higher degree of organization started to dominate over the less organized frame. If this is so, what does one gain from this and what is lost? A contiguous question is whether it was the managers that tried to dominate the frames, or if the frames dominated the managers?

**SUMMARY OF THE “REFLECTIONS ON THE INTEGRATION PROCESS”**

Above I have presented three aspects of integration and here I will summarize them briefly. Firstly, I looked at two approaches to the integration process: integration as an objective and integration as an outcome. Structural integration can be thought of in terms of objectives that are set in the beginning of the integration process, while socio-cultural integration can be guided by objectives but should be thought of in terms of outcome of the process.

Secondly, I wanted to mention the simultaneous aspects of heterogeneity and homogeneity in the integration discourse. I have tried to illustrate what I mean by these two aspects. In short, the merger could be seen as a possibility for an organizational restart during integration. However, the increased ambiguity that appeared in the integration discourse was characterized by a set of frame dichotomies. To deal with ambiguity the top managers chose a homogenizing strategy, in terms of working with the one company frame.

Thirdly, to add to the understanding of the integration process I ended this chapter with a suggestion to put more emphasis on the notion of the organization as a game. To talk about the organization as a game points to some aspects of organizational social life that could be fruitful to work with in a change situation:

   a. Often people assume that everybody is playing the same game
   b. When others act inconsistently with known rules this can create frustration
   c. People tend to prefer to return to the old game
   d. The business organization is a social situation but with a high level of competition
   e. There is a preference for known rules that are accepted by the players

The organization as a game is one way to depict socio-cultural integration. In the process of changing games, people need to accept new rules, and this means to
accept a new state of normality. To verbalize norms as openly stated rules has been my suggestion for opening new avenues to understanding socio-cultural integration, whether this integration concerns integrating into one frame or coordinating diversity.

CONTRIBUTIONS TO ACADEMIA

There are three main areas that I would like to spotlight as academic contributions in this thesis: the study of managers as complex social beings in a post-merger integration process, the use of frames on different discursive levels in relation to individuals in the organization and methodological aspects to capture and illustrate contextual impact.

Research into the post-merger organizational change processes has been criticized for its normative and managerialist orientation that has maintained a simplified view of the nature of management (Vaara 2001). Even though this is a study of top managers in a merger, I have tried to show the managers as social beings rather than as neutral conductors of a step-wise process. This makes the Business Academy meeting an interesting arena since the participants are all managers but at the same time a very diverse group of people. In the case studied, I have shown that there is a difference between managers and managers, and this was displayed at the meeting as a division between KL managers and managers that worked in the country organizations, but also as different voices depending on functional belonging. In addition, this is a micro study of a merger implementation process and the difficulties people encounter during this process which add to the knowledge acquired from previous normative studies. When the normative studies present what you should do, I have tried to show what happen when you do it. Ironically, what happened was that I found a process intended to create normative assumptions.

Chreim (2006) mentions that calls have been made to integrate “the notions of acceptance and resistance that are sensitive to the experience of individuals with the notion of macro discourses that help shape individual and organizational frames” (p. 1266). In this study, I have worked with individuals' relationships to frames but also with different levels within frames and how frames shift during an integration process. When it comes to the presentation of frames in this thesis, they appear quite static and I would once again like to emphasize that my aim has been to combine the study of structures with the assumption of social construction. However, it is hard to capture social construction in writing.

Johns (2006) argues that the contextual impact is not sufficiently recognized by researchers, and suggests some ways to contextualize research, such as the study of processes, the study of events, cross-level research and working with qualitative
data. In the study of the post-merger integration I have tried to meet all four research design criteria suggested by Johns. I have made a study of an integration process and I tried both to capture the process in general by interviewing the managers in the organization, and performed a real-time study of an integration meeting over a period of one year. The cross-level design is found in the comparison and relation between institutional and organizational levels. Also, the empirical setting had in itself a cross-level design since people at the meeting arrived from different countries and represented different professions. The study is based on qualitative data as well, so that only leaves the study of events and maybe one could say that the change of CEO before the start of the study could be an example of an event that influenced the process, but I have not addressed this change as a separate issue. Another way that I have worked with contextual impact is to explicitly show different contexts in the text, like the post-merger integration process and the presentation of historical and geographical context. Finally, some of the frames that emerged in the empirical material had a contextual character to them and I have referred to them as context frames.
Epilogue
THE TALE OF TWO FAMILIES

To end the story about the Cloetta Fazer merger, I have chosen to take up an additional aspect. In the previous reflections, I mentioned that I see the Cloetta Fazer merger as an example of a successful merger, but that it was a success on the organizational level. In contrast to this is the conflict between the owner families, a conflict that has been a topic for the merger discourse in Swedish media.

On the 28th of April 2003, the Swedish business magazine *Veckans Affärer* told the story about the power fight in the Swedish-Finnish chocolate empire Cloetta Fazer. According to the article, the two majority owners, the Fazer and the Svenfelt families, had very different growth strategies and had reached deadlock in their negotiations. This happened at the time that I was in the process of performing in-depth interviews with the managers and a few managers had mentioned that things were not hunky-dory between the families but they did not talk much about it. One reason that they did not talk about it was that it was only a few managers that had direct contact with the board of directors and had firsthand experience of the fight between the owners. Another reason was that they wanted to emphasize that the management group and the board of directors worked quite independent of each other, and that the fight between the owners did not influence everyday business.

The background to the fight was that according to the merger deal, ownership should be equally balanced and the Fazer family needed to sell off some of the shares to reach the same level of ownership as the Svenfelt foundation Malfors Promotor. Fazer solved this by selling out some of the shares to Sampo, a friendly partner, which meant that Fazer still had control over the shares. When they later bought back the shares in 2005 they had to place a bid for the whole Cloetta Fazer in line with the stock market rules. In return, the Svenfelt family sued the Fazer family for breach of contract. At that time, the Svenfelt family owned about 40 % of the votes, and about 20 % of the capital while the Fazer family owned, directly and indirectly through the company Cacava, just above 50 % of the votes and 60 % of the capital. When some independent board members left the company in 2003 they commented on the situation by saying that the board (family) members were working in their own interests rather than in the interest of what was best for the company. The Fazer family wanted to de-list Cloetta Fazer from the stock exchange while the Svenfelt family wanted to stay listed in order to be able to use share issues for further acquisitions. At the time of writing, the dispute has still not been solved and the legal process continues.

Even though the managers in the company said that they did not know or care much about what was going on between the two families Fazer and Svenfelt, it still influenced the business to some extent. Not the least in terms of the uncertainty that this conflict created in the organization. One of the managers stated dejectedly that if things were not agreed on at board level, this conflict would spread through the organization. When reading articles in the business news I see a resemblance
between the family fight described in the media and the conflict described between the pre-merger frames in this book. Maybe the conflict between the families is somewhat more emotional since the family owners to a large extent identify themselves with the company, especially in the Fazer group.

One interesting aspect of this story from a research point of view is that even though the management group felt that they were getting closer and closer and that Cloetta Fazer had a strong financial development, the fight between the owners could be used as a criterion to define this as one of all the failed mergers in the literature. The merger between Cloetta and Fazer has already been described in media as both a success and a failure, so now, we only have to wait and see which story will survive.
Methodological reflections
THE MAKING OF “INTEGRATION THROUGH FRAMING”

Presenting a product or a process?

This thesis is about the integration process in the Cloetta Fazer merger and the text you read is the version that I, at this point, feel gives a good understanding of the integration process. This does not mean that this is the only version, the final version or the best version to learn about what was going on after the merger. How did I get to that version? What kind of pre-defined knowledge did I carry with me? How did I perform the study? And why did I make the choices I did along the way? In this chapter, a confessional of sorts, I present some thoughts that I have had during the research process. The aim is to bring you as a reader behind the scenes, and therefore the text has a somewhat different character than the previous ones.

My empirical material consists of various aspects of the integration process in the company studied. When linked together, the aspects form a story that creates order in a world characterized by ongoing change and flow. When writing about the aspects in a way that (hopefully) make sense to the reader I had two main alternatives in mind: writing the result as a story about the merger or as a story reflecting the research process. I have chosen to include both but in different ways. In this chapter I have tried to reflect on my own process as a researcher and what might have influenced my thinking and acting in relation to the objects of study. In the preceding chapters I have presented the material to show aspects of the integration process in a way that might resemble the realist style. However, "It is the task of the methods section to balance the potentially misleading implications of the realist style as adopted in the text with a backstage glimpse of the actual research process" (Kunda 1992, p. 229).

I have tried to present my findings in a fairly structured way, in contrast to the research process that was, I must confess, a rather unstructured process. In retrospect I can see the thread but along the way I sometimes felt lost and did not know what I wanted to do. Decisions were often based on my intuition even though I had a research plan. And to be honest, it was more of a sketch than a plan. The structure of this text is loosely based on the conceptual model for recontextualization (described shortly at the end of this chapter). I have strived to illustrate a pertinent interpretation of the unfolding events with regard to history, process and emergent realities. The conceptual model is not chosen randomly just to press the material into a structure, but it is a good illustration of what I have come to understand as being significant in the integration process. The use of this model does not mean that I have tried to present the true pattern of the integration process, “the whole truth and nothing but the truth”, at cost of the ambiguity that reality holds. Instead, my aim has been to combine an overall structure with a nuanced discussion of issues that emerged from the analysis.
In this chapter, I have chosen to talk about some aspects of performing this study that I think are essential for understanding the findings presented from a scientific perspective. The chapter is divided into scientific perspective and approach. I try to show choices I have made and thoughts that I have had throughout the process.

A STUDY OF SOCIAL REALITY

Assumptions for the study

How much should one write about epistemological, ontological and methodological questions in a thesis? Should one start in Ancient Greece and move forward, or should one leave out these questions and assume that the choice of references, method and style gives the reader the clues needed to understand the thesis as an academic work? I lean towards the latter. Still, you are obviously reading about thoughts that I have dealt with during the research process. I have included this chapter for several reasons. Firstly, as a thesis is a degree project after many years of being a doctoral student, and I think it is relevant to show processual aspects of performing a study as well as the results of the study. Secondly, I think that a reflection about the researcher’s role can give the reader better input for evaluating the written text. Thirdly, in this chapter, I have the opportunity to talk about methodological issues as such, and the choices that I have made along the way in order to get to where I am today.

When it comes to epistemology and ontology I must say that I have not changed route, only learned more along the road and become clearer about what my assumptions are. In short, I see social reality as constantly changing, but change is related to institutionalized elements. In other words, the structures that surround us are concentrations of the processes we are involved in. One aspect of this is that I have to relate to institutionalized knowledge to be able to talk to other researchers. This knowledge is socially constructed and changes over time, but in order to change it, one has to relate to it as if it were a fact.

One area where I did experience a shift in thinking concerned how to perform research. When I started as a doctoral student, I felt a strong need to find out some relationships between philosophical issues and practical approaches. The reason was that I did not want to spend a number of years performing research that was inconsistent. Being schooled in a positivistic approach, I felt that there was a gap between research approaches and my perception of reality. When reading earlier research on mergers and acquisitions, it quite soon became clear to me that a majority of the authors saw the human problem as central to understanding problematic areas during the post-merger process. To approach the human side of the organization by using a questionnaire based on a positivistic perspective felt insufficient. I needed an alternative scientific approach that would make sense to me, and I
looked at qualitative studies for inspiration. One important part of accepting qualita-
tive studies as serious research was to understand the differences in the under-
lying logics. One aspect of this is what one should focus on when talking about
quality in a study. Alvesson (2001) means that one criterion for quality in
interpretive research can be to stimulate a dialogue. This is done by using a
personal way of writing, by clearly describing the frame of references that the text
is based on, a declared openness for the contradictory nature of social reality, to be
both stringent and use new perspectives at the same time and to formulate
unrequited problems.

A qualitative approach

When I first moved from the idea of carrying out a very limited quantitative study
to working with a broad qualitative study instead, I got stuck in the idea of “all-in-
clusiveness”. When I had the opportunity to work with many aspects of reality I felt
I should include as many aspects as possible. Maybe I was still stuck in quantitative
thinking? Along the way, I got a more relaxed attitude to my own research, mainly
because I understood that it is almost impossible to take all input relevant to a situa-
tion into consideration. Blumer (1998) writes, “the proper picture of empirical
science, in my judgment, is that of a collective quest for answers to questions
directed to the resistant character of the given empirical world under study. One
has to respect the obdurate character of that empirical world – this is indeed the
cardinal principle of empirical science. Empirical science pursues its quest by
devising images of the empirical world under study and by testing these images
through exacting scrutiny of the empirical world.” (Blumer, p. 23). As a researcher
of social reality I think one has to be very humble about the fact that there are so
many possible connections between different aspects that what I present may at
best be a personal reflection over a situation that other people accept as valid. This
is not to say that social science is an impossible expedition. On the contrary, I
believe that we have much to learn from qualitative studies and that this kind of
studies can bring understanding on another level compared to other research
approaches. In addition to this, one should not understate the importance of the
researcher’s intangible abilities such as intuition (in terms of perceptive insights)
and common sense, since the research object is the complex social reality that we
are a part of.

To approach social reality I have found the idea of symbolic interaction useful.
Instead of a focus on the individuals and their personalities, the focus in symbolic
interaction is on the nature of interaction and the dynamic social activities that are
going on between people. The individuals are active participants in the creation of
what we call reality: “Nothing has (italic in original) to happen. Nothing is fully
determined. At every step of every unfolding event, something else might (italic in
original) happen. To be sure, the balance of constraints and opportunities avail-
able to the actors, individual and collective, in a situation will lead many, perhaps
most of them to do the same thing. Contingency doesn’t mean people behave randomly, but it does recognize that they can behave in surprising and unconventional ways. The interactionist emphasis on process stands, as Blumer insisted, as a corrective to any view that insists that culture or social structure determines what people do.” (McCall and Becker 1990, p. 6.) The interaction can be between individuals and between individual and object. The term objects refer to any object that is socially created and can be indicated, pointed or referred to. Blumer (1998) proposes three categories of objects: physical, social and abstract objects. At the Business Academy meetings described in this thesis, the managers interacted in different ways to create the new company. In the analysis of the meetings I have concentrated on interaction with abstract objects, the idea of frames. To further motivate the approach chosen, I would like to present some arguments from a study of marketing work (Svensson 2004, p. 19-20) where three arguments for focusing attention on the interactional, social, and symbolic nature of marketing work were presented. I will simply use the same arguments but exchange the word marketing for management:

1. work was conducted to a considerable extent in and through more or less direct interaction, e.g. in meetings, etc.
2. a major part of management work appears to be undertaken socially, i.e. shared, intersubjective, mutually dependent activities wherein “people orient their actions towards one another”
3. the symbolic elements of management (symbols such as the written or spoken word) ... to render the world sensible, meaningful and understandable, production and interpretation of symbols are crucial. (Svensson 2004, with the exception that I have replaced the word marketing with management)

How talk about talk?

Not long ago, I learned about the linguistic turn within the social sciences that took place some 30 years ago. Even if it is quite new to me, Phillips and Hardy say that “the idea that language is much more than a simple reflection of reality – that, in fact, it is constitutive of social research – has become commonly accepted” (Phillips and Hardy 2002, p. 12). Maybe it is true that this idea is commonly accepted within some fields of study but in other areas it is still of some controversy. Even so, I will not plead for this perspective. Others have done that before me. I will just make a general remark that I believe that social reality is an ongoing construction but that I also see that the physical reality constitutes limitations and conditions for our social reality. In the chapter Creating a shared frame of reference, I described cultural communication, including language, as the medium as well as the message of social reality. One aspect of social science is that language and communication are processes as well as products. Confusing? Yes, at least to me, but maybe this idea about a possibility to separate elements from each
other is a trace of my previous positivistic schooling? The idea that language can be separated into a medium, a message, a tool and a free-standing academic product is maybe pointless in relation to understanding social reality. My conclusion on this subject is that it is enough to understand the ambiguity of language and try to depict that in a study rather than to believe that one can make an exact replication of the phenomenon studied. With this said, I do not mean that sloppy research is good enough. What I want to say is that a serious researcher must be systematic, comprehensive and most of all have a humble attitude when approaching and describing (aspects of) social reality. If the researcher is stuck with one foot in the positivistic paradigm, there is a risk that the result will turn out meaningless. “Despite the various linguistic turns, the great majority of empirical studies treat language in a simplistic, uncritical, and misleading way. Efforts to produce and check reliable measures rarely involve any deeper reflections on the nature of language. Literature on method often does not address language and implicitly treats it as a transparent medium for the transport of meaning” (Alvesson and Kärreman 2000, p. 153).

In order to work with language and meaning during the study I have turned to the idea of reflexivity. Thus, I have left the dimension of subjectivity – objectivity, and moved on to reflexivity as a way to enter more deeply into the material used to understand the integration process. In my opinion, this gives you, as a reader, the opportunity to make a better assessment of the text since it can provide an understanding of the reasoning behind it. Below, I start with an attempt to reflect on my role in this study, and then I move on to reflect on reflexivity.

Who is constructing the story?

There are different ways to talk about culture, but we always do so within a cultural context. We are never free from culture, and with this in mind we should look at the researcher as one of the most influential factor on the results produced. “To study the other is very much an act of studying oneself” (Salzer-Mörling 1998 p. 56). To pinpoint my exact belonging to a certain culture is hard, but it is interesting to see influences from the different cultures I have lived with. By looking at myself as a cultural being, I might improve the way I interpret the material from the study since it provides the possibility to take some of the assumptions that I base my conclusions on into consideration. As human beings, we can never be free from culture. Thus, as an interpretative researcher, I think it is important to deepen my self-knowledge, as I am the analytical instrument for reaching conclusions about the material. One aspect of the study at hand that makes this difficult is that I live within the same cultural contexts as some of the people in the study and this could make me oblivious to cultural influence. This is one major difference compared to classical culture studies of natives in a foreign culture. When I was younger I used to travel a lot on my own, mostly in Europe, and I have also lived in France and the USA for 1.5 years in total. During that time, I also socialized in all kinds of social
groups and that was a rich experience. Looking back, I see traveling as a fantastic way to broaden one’s horizons. At least, this was the case for me, but I have also seen situations when people feel insecure and uncomfortable when encountering the new. This could emphasize the feeling of “differentness” and “we-versus-them-thinking”.

Culture is not only about national cultures. As I have lived in different parts of Sweden, I have also experienced that one can be a foreigner in one’s own nation as well. I grew up in northern Sweden, the province Västerbotten, and have lived ten years in the very south, in Malmö. At this point I live in the middle regions of Sweden, and based on my experiences I see cultural differences based on geographical situation within a country as well as between countries. To give a short example, I see the northern Sweden communication style as being closer to the Finnish way of communicating as they share the same brutal honesty in speaking. However, this did not mean that I felt closer to people from Finland than the Swedes in my study, but if I examine myself, I must confess that I felt most similarity between the managers with an academic background of my own age and myself, especially the female managers. I believe that the reason for this is that we like things that mirror ourselves. To this confession I must add that I have reflected a lot about my own relation to the people in the study and how this might have influenced my results. As far as my blind spots concern, they are my blind spots. Maybe feedback from you as a reader will help me develop in this respect? At least I have tried to be aware about the liking of sameness since I have seen that humans have a tendency to act in this way. I hope that my results are perceived as a nuanced presentation of the process where you, as a reader, can make your own judgments, rather than as an evaluation of what is right and wrong based on my personal preferences.

Based on my background as described above, my preconceived notion of national cultural difference between Finland and Sweden were diffuse. I try not to take things for granted, and as a member of Swedish society I did not see Finnish people as fundamentally different before I started this study. Or to put it in other words: from the beginning all the people in the organization were strangers to me in a way. I do not remember a time when performing the study that I felt that Finnish culture was something obviously different than Swedish culture. A Finnish (male) manager expressed the same thought: “I would say that it’s hard to find differences. Maybe it’s more about personal differences and personal chemistry because I believe that Scandinavian and Northern people are much alike. We have similar societies and partly shared history so I don’t think, or at least I have not experienced differences more than on a personal level.” (Finnish manager 2003) This can be compared to the contact I had with the people from Poland. We got along well too, but there was something in the air that I could not explain. Something that was different. When I arrived in Poland they made me feel as if I was an important guest, they cared for me and arranged practical things. This is not to say that they did not care for me in Finland and Sweden but the difference was in the small things. During lunch, the
people in Poland gave me something to drink and explained that they knew that Swedish people were used to this while in Poland you wait until after lunch to drink. When we went out to a restaurant they introduced me to what was typically Polish, I was taken to a new supermarket to see the confectionery shelf with all the competing brands on the Polish market and I learned about the market expansion after the fall of the communist era. Maybe this way of accentuating differences was a part of creating an understanding between them and me, as a representative of Swedish culture. They gave me clues to understand something that otherwise would have been only a feeling of “differentness”. One Polish manager tried to describe Poles as the Latinos of the Nordic region: “They say that we are the most Latino country in the Nordic region: spontaneous and very open. We are very proud of our traditions. We are a catholic country and maybe conservative but it doesn’t mean conservative in that way that we are not accepting new things. According to others we got the same point of view: we believe in human values.”

(Polish manager 2003) To understand Polish culture would have required more time.

Here some examples of thoughts I have had during the time of the study has been presented, but it is hard to present a satisfactory image of how I have been influenced by culture in my interpretations. Still, it is an attempt to bring you, as a reader, closer to learning about my frames, my assumptions and experiences, to get a picture of who is constructing the text that you are reading.

Reflecting on reflexivity

Before we move on to a description of the field study, I would like to give a short final comment on reflexivity. Even though I agree with the notion that “any discussion on theory development momentarily stimulates people to become more mindful of their tacit practices of theorizing” (Weick 1999, p. 802) I have also understood that reflexivity is not a uniform practice (Johnson and Duberley 2003, Harley et al 2004). I see that I could risk coming across for example as narcissistic and/or as trying to legitimate my results as the final word on the matter. By discussing my role as a researcher in the text above, I risk drawing attention to myself in a way that can be perceived as narcissistic, though I hope that I have been able to express the purpose of presenting myself in this way in relation to the study performed. With regard to legitimizing my results as the final word based on an assumption that there is no final word, I hope that I have been clear enough that this is one of many stories that could have been told. By writing down some reflections here and there in this text, my intention has been to bring you as a reader behind the scene and present a side of performing research that sometimes is neglected and/or hidden when research material is presented.
A FIELD STUDY OF AN INTEGRATION PROCESS

Choice of empirical setting

In retrospect, I could present many relevant arguments for this study: the cross border aspect in relation to international business, the merger between equals in relation to alliances between organizations and people, the food industry as an interesting business where strategy involves issues which are both global and local (taste is often said to be geographically dependent but the consolidation takes place on the international arena). However, when I chose a company for my doctoral studies I had other ideas about what criteria to base selection on. I wanted a company that I thought was fun and a company that was willing to give me good access. There were some companies involved in our research program at that time, for example Astra Zeneca and Cap Gemini Ernst & Young. Since we were five doctoral students within the program I understood that we would have to find some other companies if we were to perform studies in five separate organizations as intended. I asked my professor if there were other companies that could be of interest, and he knew about a confectionery company in the region that had merged. I instantly felt that this was the company I wanted to work with so I declared my interest and we approached the CEO at the company, which resulted in an initial study where we made interviews with nine managers with good insight into the integration process.

During the initial interviews that were performed with a senior colleague, many interesting aspects of the integration process came up and I contacted the new CEO (they changed CEO in June 2002) to introduce some ideas about a study. After the introduction of my ideas, the top management group approved a study of the Business Academy. The geographical proximity and the interesting issues that had arisen during the first interviews, were my two main reasons for continuing with the study at Cloetta Fazer, but I must confess that my first spark of interest was ignited by their products. “The reason that I was interested in Cloetta Fazer was that they manufacture chocolate 😊. At the very first interviews I also felt an interest for the organization. There was openness and a willingness to share experiences.” (diary excerpt 21 November 2002). What I think is interesting, and what I am trying to explain with this story, is that I believe that personal interests often influence the choices of company for a study. Does this influence the results obtained? On one level, I would say that it doesn’t matter because I believe that you can find matters of interest and learn something from any company. On another level it probably does, since the researchers ideas and desires might influence how the study is performed.

Considering the human factor in research, I think it is important to reflect on the relationship with the company studied. If one understands the motivation for doing a study, then one has the possibility to take this into account during analysis and
writing. One possible motive could be a desire to be socially accepted within a group, be it the managerial group in the company or the research community, and to write in a way that one thinks pleases this group. During the period when I was doing empirical work I “fell in love” with the company and the people working there. It was hard for me to be critical and at one conference I attended, I remember being asked if Cloetta Fazer was the financier of my study. I obviously gave an impression that I was blinded by admiration of the company in some way and/or tied to some agreement when writing and talking about the integration. In January 2004 I decided that the empirical work was done. Even though I have been in contact with the company to get an update on the course of events, it was important for me to decide that the empirical period was over. By doing that, I could start to distance myself from the material. One part of this distancing process was to make clear to myself that the study was not about single individuals but about the social interaction that went on at the meeting. This small shift in focus was necessary for me to approach the material with an open mind.

How to study a meeting

The merger setting is an example of a social situation and as such, a merger is interesting from a research point of view because old truths are overturned and belief systems are revealed in social interaction. In this merger, I have focused on the Business Academy as a forum to integrate the management group. One question that I have been asked by other researchers is if this meeting only is a simulation for real business. This made me think about what real business is. When is a situation considered to be real or not? I see the same phenomenon at the University when we are talking about organizations in class and I hear students refer to real organizations, e.g. corporations, in contrast to the University organization. Why is a corporation more real than a University organization? This separation of real and unreal (?) occurred during the interviews with the employees in Cloetta Fazer as well. In sales, the real world is the world outside the company, the customers and consumers. In production, the real world is the Mogul lines. I have not found an answer to this question but I work with the assumption that this meeting is as real as any other activity in the business (but this is not to say that it is of equal importance to all other activities). The integration meetings are not representative for everyday activities, and still they are a part of managers’ everyday lives.

How should I approach these meetings in my study? When it comes to field studies, the main thing is not to do it by the book. Instead, intellectual efforts should be directed at creating a thick description. The main thing is not to give a simple description of behavior but to try to explain what this signifies (Geertz 1991). Thus, it is not the techniques used that make the study but the understanding reached through the study: “Because of its flexible nature, exploratory inquiry is not pinned down to any particular set of techniques. Its guiding maxim is to use any ethically allowable procedure that offers a likely possibility of getting a clearer picture of
what is going on in the area of social life. Thus, it may involve direct observation, interviewing of people, listening to their conversations, securing life-history accounts, using letters and diaries, consulting public records, arranging for group discussions, and making counts of an item if this appears worthwhile. There is no protocol to be followed in the use of any one of these procedures; the procedure should be adapted to its circumstances and guided by judgment of its propriety and fruitfulness. Yet a few special points should be borne in mind in such exploratory research. One should sedulously seek participants in the sphere of life who are acute observers and who are well informed. One such person is worth a hundred others who are merely unobservant participants.” (Blumer 1998, p. 41). Although it is not the main objective of a study, I have included a description of the field study.

**Empirical study 2002 - 2006**

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Table 21. A timeline for the empirical study.

The Business Academy meetings have been at the core of the study and other activities circulated around these meetings. The group attending the meeting consisted of 40 managers (with about 20% female managers) from different countries and different functional belonging. At the last meeting, the group grew to about 70 when the Polish management team was included along with some additional managers from Finland and Sweden. I taped the meetings using a video camera and wrote field notes, both in the form of a diary and as observation notes. About one to two months after the meetings, I made telephone interviews with the participants who had received the questions by e-mail before my phone call. They were given the option of answering by e-mail, but most of them answered the questions over the phone. In addition to the Business Academy meetings, I sat in as an observer at other meetings as well, to get a feeling for how they talked in the different functional groups. I attended meetings in the HR-, production-, purchasing-, marketing and economy/IT-groups (see table 21).

In 2003 I made interviews with the managers as well as with other employees I encountered along the way. I also made some interviews with individuals that did not work in the organization any longer. The interviews were performed in a narrative fashion (Søderberg and Vaara 2003), and I basically asked people to tell me about the merger and the following integration process. The interviews were tape-recorded. In situations that were not recorded, such as when I arrived, if we paused or went to lunch or when leaving, I made notes about what had been said.
During the off-the-record time, people can put their agenda on the table, express not quite accepted ideas and ask questions about what other people have said during interviews (Warren et al 2003). I used conversations and the notes as one of several personal complementary inputs to understand what might be going on. The interviews included something I call pictureviews. Instead of asking questions, I used images of *significant objects* and the informants were asked to talk about these images. The images were the brand hierarchy, the matrix organization, the visual description of the content at the Business Academy, the core values, an illustration of a ferry-metaphor used by the CEO, the Balanced Scorecard and an illustration of the decision making style. Then I recorded the individuals on video when they were speaking about the pictures. The reason for doing this is that the interviews were made in different countries, and in both Swedish and English, and therefore I wanted an additional way of communicating. During the personal interviews I visited all the different sites to get a feeling for the whole company, and this gave me a possibility to meet the employees in their natural work environment.

Below is a summary of the empirical collection of material that I worked with. To maintain anonymity, I have not named the people interviewed.

- 9 in-depth interviews from the pilot study
- 56 in-depth interviews, mainly with the participants at the Business Academy. In addition to this some interviews was made with other people of interest that I encountered during my time at the company. All but one of the interviews were recorded on an MD player and transcribed in extenso
- 36 pictureviews, recorded on video
- 39 short phone interviews or answers by e-mail in January 2003
- 61 short phone interviews or answers by e-mail in January 2004
- About 40 hours of video material from the Business Academy meeting, including the meeting in the production process that was recorded on video as well
- Field notes from the Business Academy meeting
- Field notes from four process meetings
- Diary during the study
- Slides from presentations during the meetings
- Slides from the personal interviews provided by informants
- The personnel magazine DaCapo from the years of the study
- Company brochures, books, folders, etc.
- Financial reports for Fazer, Cloetta and Cloetta Fazer
- Press releases from Cloetta Fazer from 2000 and forward
- Media covering from 1999 and forward

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39 The images of objects were selected from the first nine interviews in 2002. The selection was based on whether they represented a general pattern in the material or represented something odd that I wanted to know more about.
What can you capture in an interview?

The capacities that we have developed in the past influence how we act in the present. The past, as we remember it, emerges in the present and this has an influence on what is going on (Charon 1992). Since the essential part of the past is not what really happened, but how we remember it, interviews are suitable in research, as the individuals will give their personal portrayal of what happened. This is relevant for the on-going process since it is a representation of individuals input in the process of social interaction. One interesting thing that I noticed when interviewing the managers during this study was that it seemed easier to give a detailed description (construction) of occurrences that happened a few years ago, compared to descriptions of on-going processes. Maybe this can be explained by the fact that the on-going processes are submerged in emotions, compared to a historical episode that has cooled down emotionally. Another aspect is that historical episodes that survived (i.e. that are remembered), often do so because they have been processed over and over again, in internal and maybe also external interaction. Thus, what I wanted to capture with the interviews was the story that they had created. In other words, I did not see the interview as a memory test to find out what really happened, but as a possibility to see what was left after some time had passed. I had an idea that what they remembered was the essence of the sense-making process (see figure 10).

![Figure 10. Assumption of cognitive representation of an event over time.](image)

In this respect, interviews are a good complement to real-time studies when there are several competing ideas about what it is that is going on. Later on, these ideas have been homogenized, although maybe not into one big story, and this fixed memory is one of several aspects that I believe people use when making decisions. On the other hand, if one makes an interview with someone about an event where there is a longer time period between the actual event and the interview, it is
possible that the memory of the event have faded. One can not say how long this will take, since this depends on the strength of the memory created after the event. My idea is that what people think about and talk about will make stronger memories, but maybe this is not the case. It could be so that every time they talk about or think about an event, the memory is recreated and slightly adjusted to fit the present. What does this mean in practice? Is there any point in performing interviews since they evolve around a memory? Well, I still see the interview/conversation as a good way to learn more about different perspectives of a social situation.

Trust between researcher and researched

During the meetings with the participants in the study I felt that it was important to show respect for their knowledge as well as for their integrity. I believe that people will eventually see through you if you try to fool them, so it is easier to be honest from the start. In the beginning of the study, I showed my contact person how research material is treated according to university policies. Trust is a critical feature in an interview situation, and absence of trust can limit the amount and quality of the outcome of the interview. I see at least two areas where trust is basic: trust that business information will be treated confidentially, and trust in the researchers own competence. I don’t know if my participants sometimes felt uncertain about my competence, I don’t think so, but anyway, I thought of this as a possible problem area. One thing that made me think about this was when I showed one of the video films to my supervisor and he spontaneously said “They are brave to let you use the video camera, and they act so professionally in front of it.” I agree that the people in this study were brave to let me come into the organization, especially since they talked about future strategies and other sensitive issues. One reason that they trusted me was of course that I was a part of a university group and this means that I will be very closely examined before I can present my results. Another reason is that they probably had trust in me as an individual. Many managers have an educational background similar to mine, and their knowledge and insights into scientific methods gave them a reference point for evaluation. One occasion when this was very clear was when I had picked up one of the participants at the airport and we were driving in my car to get to my office for an interview. I was told that the only reason that this individual was a business manager was that the professor at her/his university hadn’t been fast enough with offering employment so it was more by chance that this person worked in the company and not at a university.

Roles in the field

When talking to the managers, people with prominent positions in the company, I encountered situations when they wanted to tell me what was going on. At some point, I felt that a manager wanted to control my interpretation of the merger and this manager took the role of the analyst during the interview and told me how
things really are. Another time I felt that one manager wanted to help me by displaying what was going on behind the scene by openly commenting on things that did not come up in discussion. I am not saying that their representations of what was going on were wrong, but I tried to be aware of their motives so that I could take this into consideration when analyzing the material. Wästerfors (2004) gives a description of how Swedish businessmen took the role of the “ethnographer” in the country they were they acted, and explained the country’s history and culture to the researcher. These activities might be perceived as a way to control the researcher but one could also think of these managers as informants, and thus as people that provide extra information about the case. Then, they become a resource for me as a researcher. To neglect their opinions would also be to say that I do not respect the understanding that insiders have developed over a longer period of time. What is a problem is if I accept these stories uncritically, instead of using them as a symbol representing something on another level.

When performing the interviews, I often found myself in a situation when I was interviewing a man. Out of the 56 people that I met for an extensive interview about 20 % were women. In interviews, a struggle for power can be interpreted from a gender perspective. A man, according to Schwalbe and Wolkomir (2002) can accentuate a masculine self-image by for example testing the interviewer and trying to take control over the conversation. Maybe I encountered this power demonstration, but since I had no interest in controlling the discussion I took the role as the student and the people I talked to were the teachers, telling me about the merger. I wanted to learn and they were allowed to act from a superior position, something managers are used to. From a narrative point of view, this was a very nice arrangement since they opened up and I got to learn very much about the merger, both the official story and stories about what was going on behind the scenes. A possibility is that the situation female listener – male informant took away the need to demonstrate power since it was congruent with their idea of gender relations. When I talked to the female managers, I felt a rapport with them during the conversation, but it also seemed as if they tended to be more cautious about what to say and what not to say. I don’t know if that was because of me as an individual or just the way they were used to acting as managers.

Pictureviews

When it came to what I have called pictureviews, I would say that this is a cross between interviews and observation. I simply asked them to comment on the pictures and then I started showing the seven pictures I had chosen. I talked to them during the display of pictures but I was even more passive than I was in the interview situation. What I felt happened was an increased focus on the issue at hand. In the narrative interview people could drift off, but in the pictureviews people kept returning to the picture in front of them. It also provided an opportunity to return to issues that had appeared in the interviews and talk more about them. One example
was the matrix structure that many people talked about and then when the picture of the structure was shown they kept on talking about it, often adding additional information about it. One thing that might be a problem, is that we interpret images in different ways depending on what national cultural context we belong to. On the other hand this goes for other kinds of interviews as well. The pictureview also gave me a possibility to test some of the issues that seemed significant from the first round of interviews and see if they still evoked interest among the managers, and not all of them did. What people reacted most to was the illustration of the decision making and the image of the matrix organization.

Observations

At the beginning of the study my intentions was to make interviews with the managers and then I would attend meetings as an observer to get an fuller understanding of what was going on. As you see, the focus has changed in this thesis and I have concentrated on the Business Academy as an arena for integration. The Business Academy meetings that was supposed to provide a context, changed to text. When it comes to fieldwork, some people claim that the time spent observing is important. This dates back to traditional anthropological studies (e.g. Malinowski 1922) when researchers had the opportunity to spend years in the field to perform cultural studies. The time I spent observing was limited to a few occasions during one year. Is this a problem? As I see it, this it no more a problem than other limitations that one encounter when performing field studies and again, what is important is to reflect on what it means for the study. As I said above, the interviews and discussions were crucial to get the managers own reflections of activities, and no matter how long I might have observed, I would probably not have got those insights. On the other hand, I needed the observation to internalize the field and to put their reflections in context. So in sum, I saw the combination of interviews and observation as complementary.

I had tried the observation method before but not alone and not to the extent that I now did. My first reaction was that it got my inner dialogue going: “It’s a little bit weird to sit and observe. I usually like to talk and comment on stuff when I interact in a work context. Today I had to bite my tongue in order not to stick my nose in their business. At three o’clock I felt the after-lunch coma attack and I had to leave the room. How long am I supposed to sit in with the group? How long should I leave the camera on? What does the video material mean? Maybe there will be a pattern of some kind but right now it feels like nothing is going on. It’s a big difference between making an interview and observing a group at work.” (diary notes 25 November 2002). I got an opportunity to exercise my patience, as I perceived observation to be a slow pursuit: “It is difficult to sit in a functional group. It gets kind of boring when there are no incidents” (observation notes from the first Business Academy). This is a distinct difference between observation and
interviews. In interviews, happenings are compressed into edited stories, while in real time studies, the unfolding of events takes time.

To document the meeting, I worked with a video camera (see below under videography) and I wrote field notes during the day and a diary at night. I took on a quiet role and when they sometimes asked me about what I wrote, I tried to answer in general terms. The reason for choosing this quiet role was that I wanted to put emphasis on being a listener rather than a talker. Although I think it is important to really listen to the field and to absorb what is going on, I would like to stress that the quiet role is not something I recommend for all situations and I think it is more important to try to be flexible in relation to the field than to follow some pre-set role definition. Another reflection in relation to being quiet was whether I was perceived as a neutral observer or not by the group. When Thorne (1993) made a study of a school class, she thought that it was important to actively show that she was not a teacher, but someone they could trust. I think this question is relevant in the study of adults as well. In the management team, there was a hierarchical difference between people and it was the KL group and the CEO that had approved my study. Although I was afraid that people would see me as some kind of spy for the KL group, I never perceived that this was the case when I actually met them. Instead I got the feeling (especially in the interviews) that since the KL group had given approval to my study, people could open up and talk to me in an informal way. In addition, one of their core values was to be open, and even though people questioned if the organization really was characterized by openness, I felt that they were open towards me as a researcher. After the in-depth interviews, I noticed that people acted as if we knew each other compared to before the interview (which we probably did). Thus, I see the interview as a way to get into the field faster than I would have done by just observing the group.

Videography

One way to collect observation material was to use a video camera, and Gordon et al (2001) describe how the use of video can be fruitful when it comes to micro studies from an interpretative, interactionist perspective since it allows the researcher to give a rich description of everyday events. The initial reason for using the video camera was that I would be able to capture different forms of communication and thus have material that was rich in itself. In the beginning I was overly optimistic about using the video camera and although I still see video camera as superior to a simple voice recording, the essence is not in the technical possibility to capture a specific empirical setting but in the interpretation and use of the (limited) material. I will address the following problems found when using video recording: technical aspects, analyze of the material collected and the limitations of recordings (Shaw 2006, p. 838). Shaw researched the use of problem-structured methods as a consulting and research tool, and video cameras was used to record discussions and intra-group dynamics.
The first problem area with using video recording was “Difficulties of capturing quality images and sound, for example, the logistics of arranging suitable facilities, staffing the facility during the workshop, positioning cameras for maximum room coverage, appropriate lighting, recording a clear image and sound from low quality equipment.” (Shaw 2006, p. 838) Contrary to Shaw, I did not arrange the meetings in the study and I had no influence over the choice of facilities. My agreement was to come to the meeting with my video camera and to sit in as an observer during the meeting. They did not control what I could record but I only brought one camera with me. Sometimes I just left the camera rolling on the tripod, and at other times I moved the camera around the room to capture the teams at work. From this respect, one problem was the large group. I could not capture all the people in one shot and when the presenters was standing and talking, I shifted between the presenters, the presentations being given and the people sitting and listening. One scenario at the meeting was when they were working in small groups and then I had to make the choice to film one group since I only had one camera. What I did was that I moved between the groups, and sometimes I put the camera in one room and sat in with another group and took observation notes. In retrospect, I think it would have been better to choose one group and to follow them throughout the meeting. Another problem with this was that when they had small group rooms to work in it felt awkward to squeeze the camera into the small room and since the rooms were so small I could not capture all four people in the group at the same time. At social activities during the meetings I chose not to record activities, and in some areas cameras were prohibited, for example in the spa section at Hasseludden. Another interesting aspect of using the video camera was that in the large conference room as well as in the small work rooms, it was as if the camera made me invisible. People, with few exceptions, did not indicate my presence in the room even though I was almost sitting in their laps. People acted as if I was not there even if to me and to them it was obvious that I was.

The next problem area is, according to Shaw, “Analysing voice and moving image, for example, having to (re-)watch up to 9 hours of footage for a single workshop and/or having overwhelming amounts of written transcripts, building coding frameworks across different workshops, selecting an appropriate technique for coding (see chapters in Bauer and Gaskell, 2000), having inter- and intra-coder reliability, being confident in what facial expressions indicate, understanding quiet voices or strong accents, hearing words when people talk over one another.” (Shaw 2006, p. 838) I agree with Shaw that the use of video produces much material to work with but on the other hand, this is the price for working with rich material. From my perspective this is mainly a question to consider when applying for research funding so that enough finances are set aside to spend time on analyzing the material. When it comes to analyzing the material in this study I will discuss how I analyzed the material used. What the video recordings added was a richer description of what was going on than just what was said (I made comments on non-verbal behavior in the transcriptions) and it gave me a possibility to go back
and re-watch the meetings when my memory of what had gone on had faded. At the meetings, there was no problem of people talking over each other (maybe a cultural aspect since Finnish and Swedish people often take turns in communication). However, there was one presentation at the last meeting that I could not transcribe since I could not hear what was said due to that person’s very strong accent when speaking English. Since managers attending the meeting also commented on the difficulties with getting the content from this presentation due to poor language and presentation skills, I did not see this as a big problem but more as one of several aspects of the meeting.

The final problem area that Shaw mentioned was “The limitations of video recordings, for example, only capturing what is visually and verbally communicated, only capturing what is said in the room where there are cameras (i.e. probably not during lunch/breaks).” (Shaw 2006, p. 838) I see this more as a general research problem rather than having to do specifically with video recordings. The camera has a limited eye: it just registers what is within the frame of the lens. One way to deal with this was that I wrote observation notes when the camera was rolling. When observing a group of 40 managers from different countries and different organizational belongings, it is impossible for one individual to capture everything that is going on at different places and at different times. Based on my own experience, there is one discussion that I would have liked to listen to and that is the small talk in cars, buses and flights when leaving the meeting. It would have been impossible for me to follow people in all directions, but I think this is an interesting point of time when people make sense of what happened at the meetings. My attempt to try to capture the outcome of the sensemaking process was to talk to all of the managers at some point after the meeting. Above, some problems have been mentioned but these stand in relation to the benefits of “collecting contextual data, for example, postures, gestures, expressions, direction, and intensity of group/individual attentions; re-watching events; recording every audible word and physical action; having the data available for post-workshop analyses; using the same data in different ways to understand the same/different issues.” (Ibid). Another fruitful way to use the video material is to show a selected scene that represents a problematic situation and ask the actors to comment on the scene (e.g. Jönsson and Edström 2001). To work in this way renders it possible to get deeper into the material when the actors can verbalize their reflections and interpretation of what was going on in a specific situation. During the period of filming I did not have a specific area that could be represented in one short scene but I see this as an interesting possibility and I hope that I will be able to try this in future studies.
Analysis: action, re-action and reflection

Analysis as the researcher’s state of mind

Are there moments when we do not think about the study in an analytical way? At least for me, the analysis has been an on-going process, from the first thoughts related to the study, until, and probably after, this thesis is published. To describe what I mean one can say that analysis and research is much like a creative process, when creative and analytical thinking complement each other. The creative process is often described as consisting of preparation, incubation, illumination and verification (e.g. Wallas 1926). Questions and problems concerning different aspects of the study are always in the back of the mind, and they pop up at times when the brain has had a chance to work “on its own”. One such occasion is for me when I am taking a walk. I think most of my ideas have come to me when I have been out for a walk. I will not go further into these cognitive processes here, but as a researcher, I think it is essential to know what I am working with, i.e. how I function. What I will present in this section is three phases in the analysis process, maybe closer to what is usually described as analysis in books. The three phases have somewhat different characteristics, and I call them action, re-action and reflection.

Step 1 - Action

Action refers to the physical act of transcribing the material, materializing voices into written text. I know that some people work with material that others have transcribed, and this can certainly produce interesting results as well, but I think that it is an important part of the analytical process to transcribe the material, since “the act of transcription is an act of immersion”\textsuperscript{40}. During this almost mechanical writing, many preliminary ideas concerning the study appeared. Some were only sidetracks, and when I later read my notes I could just leave them. Others have been reminders of central aspects of the integration process. The actual way that I worked with these thoughts when they appeared during transcription, was that I took notes on small pieces of paper, either when I was actually sitting down and transcribing, or thoughts that popped up at any time. The reason that I worked with notes on paper was to easily capture the ideas that came at times when I did not have the computer within reach. At times I had a collection of small, folded pieces of paper, which could be easily taken for trash, in my handbag. When I remembered, I put the notes in a jar standing on my desk. Every now and then, I wrote these notes on a list, and the list was then used in the reflection part of the analysis.

The taped material was transcribed \textit{in extenso}, i.e. I wrote every word that they used. I also wrote personal comments of things that I recalled from the interview and observation session that were necessary for understanding a comment. Sometimes I marked pauses in the text, if they were longer than normal within this group. Laughter was always marked in the text, since it often came together with a

\textsuperscript{40} Gideon Kunda in a doctoral seminar in Gothenburg 2005.
bold or exaggerated statement that could be interpreted in very different ways depending on if it were ironic or serious. When transcribing the video material, I gave more room to comments on body language, setting and similar things. Even though I kept close to the original recordings in the transcriptions, my intention was never to analyze the language as such, but to analyze the meaning behind the words. Since a study of this kind consists of cross sections of reality, can one analyze meaning using this limited material? The process of creating meaning is ongoing, varied, and indeterminate, but this process is also repetitive, i.e. we do not create new meaning all the time but the sensemaking process evolves around some issues that keep reappearing. Therefore, I see the possibility to work with a limited amount of material to get insight into a situation. What do I mean with a fairly small amount? Well, I had quite a small amount of material in relation to the vast variety of social reality, but then I had quite a large amount of material considering that it was a doctoral study. This was obvious when spending a month of Sundays on transcribing the interviews and videotapes. In retrospect, I see that I needed an extensive amount of material to dwell in until I understood what was going on. After that, I needed only parts of it to illustrate what I wanted to say and this has created surplus material that I have not used. To let go of the material collected was an emotional process since it was associated with all the effort put into collecting it, but to think that it might come in handy for future articles helped me to let go. If I only used parts of the material, does that mean that I could have done a similar study with much less material (and thus saving money and time)? Maybe, but during the time of the study it was hard for me to see what was necessary and what was not.

Step 2 - Reaction
Re-action is the process of working with the same material over again. I used the program NVivo for coding the material, and started with free nodes, that I later clustered into trees and regrouped according to the pattern that emerged. In other terms, I read the transcribed material and put labels on different parts of the text to know what they were talking about. After a while, some labels kept recurring and then I made a tree, a file in the program, where I also could make sub files for certain aspects of an issue. It was not always easy to code the material, and sometimes I chose to code a statement as an example of two different things. Thus, it is up to the researcher to decide how to code the material, but what I like with this software for qualitative analysis is that I think it gives the researcher the opportunity to be more systematic in the analysis when working with large amounts of unstructured material. If there is an area of importance that for some reason I am not able to see in the text, it can still emerge from a systematic analysis as a large body of quotes. One example of this is when the people at Cloetta Fazer talked about ways of working. From my academic perspective, this was not something that I saw as a focus for the study, but when coding the material I saw that they talked much about culture in terms of ways of working as a problematic area during the integration
process. Even though NVivo worked fine to classify the material, the quality of the study is dependant on my ability to reflect and make interpretations. When it comes to culture, it has become the commanding natural language for difference in world-views, and Riad (2005) points to culture as a discourse that sets itself up as an explanatory system. My approach then became to look at what the managers in the study meant when they talked about culture, to try to find underlying patterns in the empirical material. This led me to take a closer look at communication in terms of frameworks (frames). The frames mentioned in the frame analysis are clusters that emerged from the empirical analysis and I have named them using names that I thought were representative for the content.

**Step 3 - Reflection**

The third phase in the analysis is writing a story. I have written about this merger in many ways. The first drafts were general descriptions of the merger and the integration process and when I worked with the material I got to know the situation but also I got ideas about what I wanted to concentrate upon. I have written conference papers, working papers, educational presentations based on the merger, and I have written thoughts, feelings and sketches in diary format. As mentioned above, as early as during transcription and coding I got ideas about what had been problematic during the integration process, but when starting to write material to communicate my findings I had to go even deeper into the material. From the coding of the material, areas of interest appeared, but when I started to write, I had to go back to the material over and over again from different perspectives.

The aim of writing this thesis was to show contradictions and details in the collected material, but at the same time to work within a structure. When doing this, I had the problem that while social reality is multi dimensional, writing is only one dimensioned. This is why some things appear quite static in the text even though I did not see them as such. There is yet another aspect of writing that I would like to comment: the style used when presenting the findings.

**Writing in style**

**An active voice**

There are several ways of presenting your text in a thesis. When I started out I had an idea about writing in a style that gave the impression of authority and objectivity by using passive sentences and formal language. One reason for this was that I am a woman and I thought that it was a better strategy for me to try to fit in with the norms at my department since I was already different from the male professors who surrounded me. At that point in time, my understanding of the expected voice in scientific writing was the authoritative realist one. But I changed my mind. After reading *Writing for Social Scientists* (Becker 1986) I felt that the use of an active, direct voice was more suitable for my approach and also, it was more fun to work with. Another book that inspired me to think in new ways about writing was *Tales*
of the Field (Van Maanen 1988). In this book, the author talks about different ways to present social reality and the active construction of a text, and gives three forms for fieldwork representation: realist tales, confessional tales and impressionist tales. In addition to this, the critical tales, formal tales, literary and jointly told tales were mentioned as emerging forms. Unfortunately, I can not say that this thesis is written according to one of the mentioned forms. I say unfortunately because that would have been elegant from an academic point of view. It is more like a hodgepodge of forms, but one thing that was important for me when reading about the forms of representation was that it made me think about the thesis in relation to the reader, rather than as a way to show off my extensive collected knowledge about the field situation. And regardless of whether a thesis is written in a realist, impressionist or other style, one should remember that a text is something made or fashioned, but it should always be a serious attempt to reconstruct the meaning of what was going on. In this reconstruction it is possible and sometimes necessary to use rhetorical methods to mediate the message (Clifford 1986).

I have tried to be very clear about the style chosen for the presentation of the study in this book, but I do not intend this as a prescribed way of writing from my side. It is just the way that worked for this book, and for me, and I think that every author must find his or her own way of writing. In writing, you find new ways as you go along as well as other ways to understand and explain what is going on in the field. This is one important part of being a researcher: to question the language used and to look at other languages, but then also comply with one or more contextual language in order to communicate what you have to say.

Choice of language

When it comes to the choice of language, I wrote this thesis in English, a language that is not my mother tongue. The reason that I chose to write in English is that first of all I wanted to give an opportunity for all the people at Cloetta Fazer to be able to read it. Since some managers do not speak Swedish I choose English, the lingua franca of business. In the empirical setting, people used English terms to name aspects of a control system for example but also as the preferred language to communicate in a cross-border situation. Another reason that I chose English was so that I could practice using the language, since within the research community, English is predominant as well. Of course I understand that my English has much potential for further development, but you have to start somewhere.

One aspect of writing in English is that the quotations in this text have been edited, both concerning national language and the change from spoken language to written text. Since I use language to study language I think it is of extra importance to have a sensitive approach to the material throughout the interpretative process. Most of the interviews were originally in Swedish and when I use quotes from these texts they have been translated into English. The quotes have also been adjusted from the original transcription to something more readable since spoken language tends to
look odd in written text. When we speak, we interrupt ourselves, change direction and often leave sentences unfinished. One thing that guided me when editing quotes was to always try to keep the meaning of what was said. There is no way that I can guarantee that I have made correct interpretations of the material (who can!?) but I have worked carefully with the material and my contact person at the company did not react to anything in the text as being strange.

Presenting the drama

From integration to interaction
The Business Academy has been presented as three acts of integration. The main inspiration came from Goffman’s ideas about the theatrical frame (1986), and to describe the meetings using a dramaturgical framework put emphasis on interaction. The conflict between two merging organizations, communication hinders between managers at different hierarchical levels and group think are examples of typical problem that has been dramatized in organizational theatre (Schreyögg and Höpfl 2004). Some useful aspects of dramaturgical perspectives is that they highlight interaction, are sensitive to context, are helpful for analyzing everyday situations and emphasize the active and constructive role of language (Kärreman 2001). An example of a study that used a similar approach is Tullberg (2000) who wrote about organizational change as a soap opera.

By using dramaturgical concepts to describe the meetings, I made a first shift from empirical setting to theoretical setting. This also meant to talk about integration as interaction. In the chapter about the Business Academy, I have tried to describe why a dramaturgical vocabulary is suitable for the meeting, but here I would like to make some further comments on the use of drama as a metaphor.

The use of metaphors
The drama vocabulary was a way to distance myself from the empirical setting but it also worked as a metaphor when presenting the meetings in this thesis. The use of metaphors in social science can be a means of exploration, for building theories and for empirical analysis, and the metaphor can provide an understanding for ambiguities and tensions (Alvesson 2001). The use of metaphors in science has been questioned but Asplund (2002) highlights that metaphors are often used unconsciously in scientific material. One example is Adam Smith’s *the invisible hand* that is not literally a hand but a metaphor for an idea about market forces, and a metaphor that has gained a pseudo-literal status over time. Asplund writes about how the reflective use of metaphors actually is an indispensable aid for thinking and that it is a generative way towards comprehension, but this requires that the reader, and the writer, has a *metaphorical competence*. When we get the description of a wine as having an earthy taste, this is not a literal description but it is a description that we understand. “*I understand the statement that “this is an earthy wine”*. *I understand it even though I have no idea about the taste of earth. The
expression “earthy taste” is a metaphor.” (Asplund 2002, p. 112, my translation). I use metaphors in different ways in this book, and I probably use some pseudo-literal concepts as well. What I have reflected on is the use of metaphors in analysis, and I admit that I willingly use metaphors as cognitive fuel, and when thinking about it, are not all abstract models metaphors? I have also worked with metaphorical or narrative headings that might give the reader different associations to the text. With the use of metaphors I hope to reach an understanding of the phenomena studied at the same time as I give the text a richness that is not conclusive.

To structure a process
To illustrate ambiguity during the integration process has been one aspect of writing, and I had an idea that this would be done within a fairly clear structure. I have used a conceptual model of recontextualization as a guide for the structure in this text. This model describes the move from pre-existing meaning (organizational history) and the on-going change towards resultant meaning (the activities that took place at the Business Academy and that was interpreted in terms of frames in the section frame analysis). The pre-existing meaning is illustrated in the introduction to the companies and the pre-merger frames, the résumé of how people talked about the companies in terms of national and organizational culture. In the recontextualization model, this is an attempt to capture the pre-existing meaning that people brought with them into the merger and the integration process. The on-going change is represented by the chapter about the Business Academy. It is a description of the meeting as a drama and although I have used some dramaturgical concepts to make a first reading of the empirical material, this is still very close to the empirical setting. Apart from the general description of the meeting as a drama, the empirical description in this chapter is quite extensive and I wanted it to be like this to include ambiguity and loose ends. Then I describe resultant meaning in terms of frames and framing in the chapter named frame analysis.

I started this thesis with the idea that integration could be understood as framing, and I end by “including the final obligatory sentence, “more research on this topic is needed”” (Whyte 1993, p. 356).
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