Change and Continuity Through Mergers & Acquisitions

Farshid Azadegan

A thesis submitted in partial fulfilment of the
Requirements of the University of Hertfordshire
For the degree of Doctor of Philosophy

The programme of research was carried out in the
Business School, University of Hertfordshire

February 2013

Acknowledgements

Completing this research program would not have been possible without the patient support of the kind people in my life. I would like to thank my supervisors, Dr D. Noble, Dr. P. Fraser and Dr. D. Bentley for their good advice and unequivocal support, for which I am infinitely grateful.

In completing this program, I am also indebted to Mr. R. Morris, Mrs. B. Morris and my PhD peers and colleagues for giving me their priceless time and assistance during the course of this research.

ABSTRACT

I have lived through nineteen mergers and acquisitions and without moving companies, have signed eight employment contracts, all following M&As. Only two of the eight companies still trade, the others went bankrupt or shut down.

My roles have been in engineering, sales, middle management and more recently a contributor at meetings where M&As were discussed and advisors attended. Despite professional advice, these M&As rarely turned out as planned including the envisaged growth and improvements. Often matters got worse, even for top executives. Yet, in both the literature and the way that people talk, businesses and individuals are portrayed as separate entities, M&As are aimed at changing only the businesses and are routinely associated with growth and improvements.

My experience of M&As includes confusion about power and powerlessness, a sense of loss of valued relationships, identity issues and idealization of merged businesses. Using a narrative methodology and taking my experience seriously (Stacey and Griffin, 2005), I explore change and continuity through M&As and the experiencing of organizational upheavals. I also explore change in the idea of M&As and how we think of them.

Drawing on complex responsive processes theory, I argue that we can enhance our understanding of change and continuity through M&As by exploring our experience of local interaction. Combined organizations as patterns of local interactions between people where these patterns emerge and evolve in the interplay of intentions, plans, actions and choices of all involved includes those between members of the merged organizations and between them and advisors, mediators, shareholders, competitors, customers, regulators and the media.

To say that combined businesses emerge in this interplay is to understand change and continuity in terms of these evolving patterns of local interaction. These patterns include interpretations and conversations reflecting our ideologies, power relations, identities, idealizations and expectations about M&As. My expectations and reflections were influenced by and influence the discourse about M&As which I argue as social object evolves through our complex responsive processes of relating.

Idealization of merged businesses, professional advice, the mainstream view of M&As as growth and improvement which amounts to ‘putting thought before action’ (Griffin, 2002: 25), all emerge and evolve through local interaction validating reflexive exploration of experience to enhance our understanding of change and continuity through M&As.

Keywords: Mergers & Acquisitions, Idealization, Complex Responsive Processes, Social Object,

Contents

Chapter 1 Change and continuity in M&As

Introduction:

As a motivation for undertaking this research, this chapter aims to highlight my growing dissatisfaction with the current dominant view of M&As that separates individuals and the organizations. The other motivation is to explore change and continuity in my experience of living through M&As over the past thirty years.

During this period, without moving jobs, I have signed eight different employment contracts, each following a merger or an acquisition. My experience includes how in a post-acquisition reorganization, I was made redundant, and then rehired the following month by the same acquiring company. Following one acquisition, a product line that I was involved in, was stopped, people laid off and the department dissolved, but then restarted, and went on to become the jewel in the crown in a subsequent merger. Of the eight firms issuing my employment contracts, only two still trade (Feb 2013). Others went bankrupt, divested or shut down. My experience therefore points to a richer reality than the current mainstream discourse about M&As being corporate growth and improvement options (Christensen et al., 2011; Shi et al., 2012).

Early perceptions and invitations to management meetings

Having started my first full time job in 1982, my view of companies was that of complex systems run by experienced 'super managers' (Baranchuk et al., 2007) who understood them better than me. I had come to view M&As as having certain higher level rationale or too complex for my understanding as a fresh graduate.

I believed that it was possible to research, discuss, plan, articulate and also realize three-five years into the future, specific tangible benefits for merging businesses. These included growth in sales, profits, market position or operational improvements. All these things I thought possible at the same time. Moreover, I had come to think without much questioning that M&As were also a quicker and instrumental option to grow and improve businesses than an organic path (Janssen and Wagner, 1999).

My participation at management meetings was limited to product integration issues. However, often external advisors and HR colleagues attended. HR colleagues' involvement seemed to have been in anticipation of encountering resistance from employees in reorganizations or redundancies. The terms used included 'taking care of the human side' (Seo and Hill, 2005), 'the soft side' {Buono, 1989 #13} or cultural due diligence aspects (Lajoux, 2000), which with my technical background, I was less familiar with.

Another reason for the involvement of HR colleagues was that their inputs were considered helpful with issues including the feelings and motivations of key staff who might leave or were considered 'too wedded' to the pre merger ways of working. I discuss this in more detail in later chapters under design review meetings in pre and post-acquisition times and how sudden departures occurred despite such efforts.

In discussing M&As, executives, colleagues and advisors at these meetings were, or at least appeared, able to rise above the routine and ordinary issues 'clouding the bigger picture'. They also seemed to be above 'organizational politics' that Mowles (2011:32) describes 'as people's daily attempts to cooperate and compete in the work place to get things done'. These were skills and capabilities I felt were missing in me as a younger member invited to M&A meetings.
HR colleagues' early involvement also contributed by informing us of rules and regulations and recommended ethical behaviour. They seemed skilled at inducing or seeking to create relationships of trust and honesty which were to dissolve interpersonal difficulties. Difficult colleagues, I understood could be won over, that the post merger reorganizations were necessary and everyone would buy-in to the concepts if things were properly communicated. All in all, just as our top executives could choose which firms to combine, so could our management, colleagues and I, work closely together to effectively implement the integration of products, departments and operations that would bring about the intended changes.
But thirty years on, and umpteen meetings and M&As later, our executives seemed in-charge but were rarely able to bring about the changes or many of the announced improvements that were supposed to follow. Over this period despite my name being on a redundancy list, I got promoted. Conversely, I was made redundant when we were the acquirers and I had been expecting a promised a pay rise. I have been an engineer, salesman, middle manager, survivor, victim, and contributor to acquisition decision making. Frequently, matters got worse even for senior executives including sudden departures. My experience of M&As therefore, is that of a much richer reality than the literature and the dominant discourse had led me to believe.

What I mean by the dominant discourse

In using the term dominant discourse or mainstream to describe views about M&As, I am not claiming that there is only one discourse or that everyone accepts it equally or without reservation. Choosing the word dominant is also a reflection of my reality about the most common ideology, practice and the literature that I have come across. It is not just how I hear people in my personal and professional life refer to M&As in conversations, but also in the ways the media I follow or the literature that I read, portray M&As. The literature includes agency theory (Jensen and Meckling, 1976) that suggests the principal objective of senior executive is to maximize shareholder value and that M&As accelerate growth which is often reflected in the rising share prices of the organizations involved. The mainstream literature also includes the theory of efficient markets (Jensen and Smith, 1984) and capital asset pricing models (Jensen and Meckling, 1976) and motivation theory (Jensen and Meckling, 1976: 6) which argues that to encourage executives ‘to act in the best interests of the’ shareholders they must gain and/or lose with the shareholders. These assertions are reflected in ‘the cult of heroic chief executives’ and many top executive bonus schemes including share options linked to share price growth (Kay, 2010:14). Collectively these theories made me think and encouraged my understanding of M&As as business growth and improvement initiatives. These theories are brought together in the theory of Economic Value Added (Rappaport, 1986) with M&As being one such option for more rapid growth. But these were not merely theories at business schools, and as my narratives depict, they also played a role in ordinary conversations of executives and colleagues. They are also propagated by the media reports and many management consultancies.

Higgins et al (2007:4) present the intellectual case for ‘hostile’ M&As as originating in the US. Similarly Kay (2010:14) traces the phrase ‘the market for corporate control’ to American lawyers and finance economists in the mid-1960s. In such markets, Kay argues, the right to manage corporations is ‘a commodity for sale to the highest bidder’ and this process ultimately leads ‘resources to be deployed in the most efficient of all possible ways’. M&As presented as growth and improvement options, also featured in our annual shareholder meetings, corporate speeches and official announcements and presentations. According to the mainstream discourse that I am referring to, executives plan M&As, draw up contracts to trade bundles of resources and assets and set out initiatives and reorganizations to realize the envisaged changes through combining the ‘right’ businesses. The more recent literature descriptions that particularly affected my early perceptions include M&As as ‘an alternative business growth, investment or improvement option which require extra attention’ (Pike and Neale, 1998: 637). However, compared to other options ‘M&A activities also involve drawing up and following due diligence exercises including cultural and human resource considerations’ (ibid).

These ideas influenced my early perceptions during the initial years of my career as I started working at STC who were subsequently acquired by Canadian, then French, Italian, Danish American and Japanese companies. I have worked in Europe, Japan and the Middle East and lived through nineteen M&As. So I feel well placed to draw on my experience of living through M&As.

Below I give company names and dates; although intended as a reference, these also serve to highlight the uncertainty of my working life:

- 1980 I joined the Newport subsidiary of ITT of USA
- 1982 STC acquired the Newport subsidiary of ITT .. I stayed
- 1983 STC acquired Basildon Submarine cables .. I was promoted
- 1984 STC acquired further cabling businesses in Harlow, Cwmbran and Cwmcarn .. no change for me
- 1986 Nortel of Canada acquired STC .. I was transferred to QA department
- 1988 Nortel sold a part of STC to Pirelli of Italy .. I was transferred to Harlow
- 1989 Nortel sold another part of STC to Alcatel of France .. I decided to leave
- 1989 I joined Optronics in Cambridge
- 1990 Optronics is acquired by BR who were declared bankrupt a year later
- 1990 I joined Sumitomo Electric of Japan .. as Assistant Sales Manager
- 1992 Sumitomo Electric acquired New Bridge Cables in UK .. promoted to Sales Manager
- 1996 Sumitomo Europe reorganized, shuts down New Bridge Cables .. my responsibilities reduced
- 2000 I joined the UK subsidiary of Laser Precision of US
- 2001 Laser Precision acquired York Technology of UK and Elmi of Denmark
- 2002 Great Nordic of Denmark acquired Laser Precision renaming it GN NetTex
- 2002 GN NetTex acquired INET .. in the reorganization I was to report to Adam
- 2002 GN NetTex acquires Photonetic of France .. I was released, then rehired
- 2003 Great Nordic sold off GN NetTex to AXCEL of Denmark renaming us NetTex
- 2004 AXCEL sold off Photonetics part of NetTex .. I was assigned Prod. Manager
- 2005 AXCEL sold off the remaining NetTex to Britsu of Japan .. new boss for me
- 2006 Britsu broke up NetTex divested RFTS division .. assigned Sales Manager
- 2007 Britsu divested Tunable Laser division of NetTex to Yenista of France
- 2008 Britsu divested Optical modules division of old NetTex .. I got a new boss
- 2009 Agilent of US attempted to acquire Britsu .. got promoted to Sales Director
- 2010 Britsu borrowed money to buy back own shares on open market to prevent being acquired by Agilent

Separation of individuals and businesses

Throughout my career, the management meetings I have attended, the professional training courses undertaken and in the normal everyday conversations with colleagues, individuals work for the businesses. People have their own minds, beliefs and act with their own intentions and values. Yet whenever we have talked, we were talking 'as if' NetTex, Britsu or AXCEL existed as a business/entity outside or separate from us. In doing so we tended to forget the 'as if' and would slip into talking about businesses as having their own status that we aimed to change through M&As. Senior executives would assign various tasks to management and staff to carry out as if we they and us were all outside of the businesses that we were supposed to combine.

We could take pride when matters proceeded according to plan and expected criticism if they did not. The basis for this thinking was therefore a 'both ... and' way (Griffin, 2002 :91-92). We were both members of the organizations and also capable of combining them. Looking back, I took it for granted that this way of thinking, also meant that the success of our M&As were on *both* how well we understood the businesses we were considering *and* our actions as 'autonomous individuals' (ibid: 210) on the businesses we were to merge. At such discussions, I never questioned the 'as if' or the 'both ... and' conjectures of separations being applied to the businesses and people. Sitting at management meetings, I tended not to sense anything contradictory/paradoxical about such a way of thinking. In not thinking about such paradox and forgetting these conjectures, the businesses to combine were separate entities from us with their own pre-merger states. Executives and advisors were to bring about improvements or growth by buying, merging or setting goals and objectives for the joint businesses.

Griffin (2002: 2) calls this way of thinking 'an ethically passive stance' in which seeing ourselves as a hero/victim (as I used to through the upheavals of M&As) follows. It was M&As, as a separate 'thing' out there, and the powerful individuals at the 'top' that I blamed, both for my own sense of loss and anxieties and also the ending of my relationships. This 'thing' (M&As) also often went 'wrong' for others (see later). The mainstream views and the literature enforced my feelings as to how executives were praised when matters through M&As turned out 'wonderful' (Campbell, 1999: 2) and blamed when they did not (hero to zero).

With this mindset Sennett's (2000) views were soothing in the way he explored how large businesses are dominating the world and the communities in which 'their' employees live. He drew a deteriorating picture of the qualities of life for people and of individual identity in the US over the past decades. In the chapter on failure and in the context of IBM engineers losing their jobs Sennett (2000: 129) discusses how these 'men began to blame themselves for having believed in their corporation' and conversations after their redundancies.

He talks about local 'meetings at the River Winds Cafe' blaming 'the global economy' as if they were going through a 'grieving process'(Kubler-Ross, 2005). Sennett's work resonated with my experience of feelings of loss through M&As in terms of redundancy process and their impact on me which I will draw upon in chapter three. He talks about 'these men' going through the processes of firstly blaming others then blaming themselves and then not sure who else to blame. Gradually a realization emerged that there were so many people to blame and there was not much point in blaming and the simultaneity of how the senior people they were blaming, were also getting caught up in the redundancy rounds and eventually were made redundant. Just as I interpreted Sennetts's work as his holding capitalism and the mechanical approach of corporations to their workforce responsible for what he described as 'The Corrosion of Character', I used to blame this 'thing' - M&As - for my anxieties, frustrations and loss of the relationships I cared about.

However, my point here is not so much the ethical basis of Sennett's argument but rather his separation of individuals and the businesses they work for and how for me people and organizations feel inseparable from one another. I also saw 'M&As' as particular activities of our 'executives' on the 'businesses' and that all three were out there as separate realities with complex dynamics of interactions between them that I little understood. Sennett's articulations about individuals as victims and the morally responsible capitalism as a 'thing' also reflected the 'both ... and' way of thinking. It was originally the focusing of ethical responsibility mostly on top executives with people mostly as the passive, helpless victims that I was relating to and how in my experience the separation made little sense.

An outcome of my MBA

I first came across the work of Stacey, Griffin and Shaw (2000) during my MBA and felt that they were thinking about organizations, change and continuity differently to what I had been used to. In their writing, organizations are not 'things' but rather 'the ongoing patterning of conversations so that changes in conversations are changes in organizations' (Stacey, 2005: 2).

At and away from work, whenever we had talked about organizations and merging them, we mostly discussed procedures, roles, tasks, and the activities of monitoring, measuring, increasing sales or market share. I had got used to discussing businesses mostly in terms of products, technologies, patents and resources. But Stacey et al were arguing that these were ‘only the tools we use in our ongoing interactions with each other’ (ibid) and that it would be more helpful to avoid mistaking these tools and artifacts for the organization and to see them for what they actually are i.e. the tools we use in the activities of organizing. Stacey et al were drawing analogies with human interaction from domains including sociology and psychology to argue that interaction itself is inherently pattern forming (Stacey et al, 2000) and themes emerge often spontaneously and unpredictably as we ordinarily interact with one another. Furthermore, no one can step outside of the local processes of their interaction to deterministically observe, control or change them because we are all always part of that process.

Griffin (2002) explores leadership and ethics arguing that ‘there are no ethical universals’ (ibid: 25) thought of as ‘fixed realities’ against which conduct can to be judged, apart from and before action with meaning known in advance. Griffin was arguing that any judgment is found ‘in the experience itself as new points of view that emerge in the conflictual interaction in which the future is perpetually being created (ibid: 216).

As a result of reading these I began to think differently about conversations at management meetings concerning M&As. I felt, these views would have major implications in my belief and the taken-for-granted view that M&As can be got ‘right’. I felt an urge to explore what I began to see as pre-judgments about our envisaged businesses as if they had existed out there as separate realities. I was, in my literature search, used to thinking about M&As in terms of experimentation (Klein and Klein, 2001), management learning (Bild et al., 2002) and objectiveness (Bower, 2001). I felt that I needed to re-read and re-view the nature of my perceptions in relation to my lived experience and complex responsive processes theory (Stacey et al., 2000). In my experience what had actually been going on when we had combined businesses had been far more than the choosing of the right firms focusing on mathematical approaches to trading bundles of resources or the careful HR procedures we had normally included. This is the perspective I will be taking, to explore my M&As experience and thus what it is like to experience change and continuity emerging as evolutionary processes.

Outline of Thesis

My thesis documents an ongoing process which includes reflecting on conversations with my PhD supervisors, peers, management, colleagues at and away from work and also the relevant strands of literature over many years. I aim to convey how my understanding has been evolving with an increasing appreciation of related theories, as I now make sense of change and continuity in my experience of M&As.

In particular, I aim to present how my thinking and reflecting has been developing as I increasingly pay more attention to my experience as complex responsive processes of local interaction. This experience includes my current role as a director of sales at a telecom equipment manufacturer and when invited, attending meetings to discuss M&As. I also include narratives about those aspects of my personal history, which I consider as influential in understanding how I used to behave and am now making sense of my thinking and/or acting. These taken together contribute to a number of new ideas brought together in the last chapter and previously unresearched from a complexity perspective on change and continuity in M&As.

In chapter two I present major contrasting themes of my realities of living through M&As, and change in the idea of M&As that are motivating this research. These include organizational politics and redundancies, people interpreting matters, and gaming. I will focus on these themes in later chapters to explore change and continuity for me in the context of power, identity and culture as particularly dominant, in my experience of M&As. I also reflect on my narratives following an interview with Allan, the CEO of AXCEL just after their acquisition of NetTex, and the dissonance in my experience about Allan's views echoing the mainstream views, all leading to my research question of what is it like to make sense of change and continuity for me in M&As, and change in the idea of M&As. Turning to the literature, I explore how change and continuity are viewed in mainstream M&A studies. I also include due diligence, goodwill, culture and other common approaches including mathematical and rational analysis.

Reflections on these themes (of my M&As experience) leads to my understanding of the theory of complex responsive processes and what this means to how I make sense of change and the implications for my thinking about research and practice. I discuss how this perspective on change as complex responsive processes is different from the current mainstream thinking about M&As. Change, from this perspective is understood as temporally recognizable and yet changing identities and ideologies emerging as people ordinarily relate to one another in local interaction (Stacey and Griffin, 2005; Stacey and Griffin, 2008).

It often felt as though changes intended in businesses affected me as an individual even though M&As were aimed at only changing the business. M&As disrupted, interrupted and even ended the familiarity of relationships. Under the pre-acquisition organizational life, I could not know in advance how the patterns of our relationships would emerge on a day-to-day basis, but at least there was always the reassuring coherence of the familiarity of the people and the history of our relationships. M&As however, messed up that coherence of my organizational life and so I associate them with raising anxiety. Methodologically, I focus on the inter-relatedness of organizations and people. I reflect on my struggles in the separate view of people and organizations when making sense of my experience of M&As.

In the latter part of chapter two I describe my chosen research methodology as that of giving an account, telling my story, of what I thought and felt that others and myself were doing in particular contexts of our activities in M&As. Since what I, colleagues, customers, suppliers and management were doing is inseparable from who I was and who we were to each other, my narratives in expressing these relationships also iterate and reflect transformation of our individual and collective identities.

From a complex responsive processes perspective ‘human minds and human societies arise together, with the individual as the singular and the social as the plural of interdependent embodied persons’ (Stacey et al., 2005:32). Accordingly, exploring any change I experienced in M&As is through exploring the themes arising from the narratives of experience which are explicitly reflexive, both as an individual and social process at the same time. It is the explicitly reflexive nature of my narratives that qualifies them for this methodology as ‘second order reflexive’ (ibid: 22) exploration as opposed to me just writing about what I thought or felt about what was happening.

My narratives are explicit and ordinary, rather than portraying a glorified, tragic or chronological account of what I experienced or fantasized as happening. Such narratives are the ‘raw material’ (ibid: 24) for my research method which is reflexive in an individual sense as I make explicit the way of thinking they reflect about me in how I am telling my story. In other words in these reflexive personal narratives I explain why power, identity or loss for example, became particular foci for me and how I think my past experience is present in my interpretation when reflecting on what I thought was happening. I include any conscious assumptions, and the ideology that my assumptions reflect, in order to argue for the particular meaning which I am proposing the narratives convey.

Power is my focus in chapter three. In a narrative on the Britsu takeover of NetTex, I reflect on the dismissal of Mark, dubbed the acquisition hero/mastermind, and discuss a sense of power/powerlessness, my own and my managers. I reflect on the rapidity with which Mark became the scapegoat for the post-acquisition difficulties that emerged. In another narrative on my experience of attempts to fend off a takeover approach by a competitor, I reflect on my difficulties of complying with instructions that were against my values. These include contributing to the list of colleagues to release and our conversations at M&A meetings. Based on these conversations, mostly teeming with personal preferences, I began thinking that the realities of M&As are far from objective, rational and a source of corporate accountability and effective discipline on management behaviour that the textbook models of the market for corporate control suggests (Kay, 2004: 2). Furthermore, our executives' behaviour and conversations seemed to reflect 'the detached observers' (Stacey and Griffin, 2008:99) perspectives attempting to bring about change. Mostly they discussed businesses as wholes as in buying Photonetics, I-Net or NetTex. I reflect on how I too had bought into this way of thinking, when sitting at these meetings where executives were propounding attributes of superior merged businesses as if these were pre-given realities stored in the future waiting to be diligently unlocked.

In chapter four I focus on my early years as an engineer, reflecting on my sense of identity and role at design review meetings. I reflect on my redundancy and sudden reinstatement emerging as power relating, and how this became both recognizable as change in relation to the redundancies and departures of my managers too. I discuss mainstream views about identity in M&As and the complex responsive processes perspective, and, through my narratives, the emergence and transformation of my sense of identity. These include how despite my rational calculations, Dubai became the location of our new office after the Britsu acquisition. I argue that identity from a complex responsive processes understanding of M&As challenges mainstream views. I also explore a sense of loss in chapter four as another major theme of my experience of change, continuity and identity. The loss and grief I often felt was in the way M&As induced changes in the temporally established patterns of working and relating to colleagues and seniors whom I cared about. These relationships were providing me with a sense of stability and security in our pre acquisition groupings. Loss and grief hardly fit in the objective organizational scale views typical in the mainstream M&A literature where individuals and their local interactions tend to disappear. The point here is not how little people are, or are not discussed in the literature; it is more the case of including my loss and grief, experienced in business settings.

In chapter five, I explore how at and away from our meetings, it can be understood as through we were conforming to the social object i.e. M&As as the general and envisaged joint businesses as the ideal. I present my understanding of M&As as social object. Combining businesses are social activities that affect and involve many including investors, professional advisors, executives, local management, staff, suppliers, bankers, customers, media, and competition. I propose an understanding in terms of social acts involving many participants where different parts of the act undertaken by different individuals appear in the act of each participant. In other words, all participants have in mind, beliefs and understandings about how the others might be acting in the situation and act on these as the process develops. However, involvement in these initiatives entails more than just taking part, but rather in responding, each participant also takes into consideration the taken for granted attitude of many others.

In chapter six I present a view of culture in M&As drawing together strands of the main themes throughout my narratives and reflections. This arises from the implications of the theory of complex responsive process about thinking and exploring change and continuity. The first implication is the way I have developed a sense of responsibility for what I do or say, rather than a passive or victim perspective blaming M&As as a thing out there and perceiving executives in control. There is my heightened awareness of responsibility for, and potential of my conversations which are paradoxically enabling and constraining, creative and destructive, changing and continuing at the same time. Secondly, my raised awareness about themes in process language means that I focus on how I am speaking, writing and responding to convey the on-going and the transformative nature of my experience of change and continuity rather than thinking and talking in spatial terms of wholes and inside-outside. This included growth and improvement as fixed states/destinations. Thirdly, I am more conscious of personal feelings, idealizations and rationalizations, all as aspects of my work environment and experience which exist simultaneously and influence how I am thinking and acting. I draw on these as my new insights for making sense of change and continuity in my experience, including the influence of strong desires for control playing a role in our conversations. I reflect back three to five years on Britsu, KDSU and NetTex acquisition announcements, Jim, David and Joe's redundancies as well as the mainstream articulations on failure in M&As. I discuss culture as a major theme of my experience rather than a designable thing in M&As (Cartwright and Cooper, 1993; Boateng and Lodorfos, 2006). I draw on the narratives of our design review meetings and relate my thoughts to the mainstream discourse on culture in M&As.

In the final chapter I present my concluding themes in response to my research question, and my contribution to extending our understanding in this regard. I argue that although my assertions might require new appreciations, they do resonate better with the richer reality of my experience. Furthermore, in focusing attention on local interaction, I make sense of change and continuity in M&As as expressions of intention, and feeling a sense of movement in each living present. I summarize key themes emerging from my conclusions and how they are contributing to the way I am now making sense of change and continuity living through M&As.

Closing remarks:

This introductory chapter summarizes the contextual background to my research question. I have presented aspects of my experience of change and continuity through M&As which are not fully explored or acknowledged in the current discourse yet they emerged as dominant themes of my experience. My research question of making sense of change and continuity through M&As and change in the idea of M&As arises from the dissonance I feel between the mainstream discourse and my lived experience. Much of the literature focuses on objective analysis separating individuals and businesses from what are predominantly viewed as rationally planned corporate change activities through M&As.

Whilst the importance of individuals is widely acknowledged, when people are discussed, they are commonly explored by and large as manageable organizational scale HR considerations.

So in the next chapter I present the development of my understanding and evolution of thinking about the complex responsive processes theory as the foundational theory for my research. I also include and discuss the implications of this understanding for appropriate methodology for my research.

Chapter 2 Experience of M&As, Complex Responsive Processes and methodology

Introduction

In chapter one I presented some of the difficulties I had with the mainstream views about M&As in relation to my lived experience. I also stated how I first came across complex responsive processes theory and how it emerged as helpful in how I felt able to make sense of my experience in relation to these difficulties. In part one of this chapter, I present my growing dissatisfaction with traditional organizational-scale views and my lived experience of M&As, leading to my increasing interest and at the same time, emerging understanding of key aspects of complex responsive processes theory (Stacey et al., 2000; 2008). In part two, I discuss how my developing understanding of this theory leads to my choice of methodology and the implications of this methodology and theory for my research.

2. Part One

2.1 Tough at the beginning, and three decades on

Although the chronology of M&As in chapter one was intended as a quick reference it also depicts the prevalence of change, upheaval, anxiety and the continuity of various themes of my lived experience. For a more inclusive understanding of my assertions about the nature of change and continuity through M&As, it is necessary to explain how I differentiate between non-M&A reorganizations and those through our M&As. The latter involved ownership change and often involved external advisors. Other differences included substantial increases in staff numbers, addition of new products and working with people at offices around the world. The new owners and executives also usually reorganized us with poor awareness of our previous identities. For example following the reorganization after the Britsu acquisition of NetTex, I was to report to Gerald as the new Sales Director who in turn was to report to Michael as the new General Manager. The irony was that prior to acquisition, among the three of us, I was the most senior - in rank and age. Gerald was ten years older than Michael and had originally hired Michael as a sales engineer. After a few years they both left. Michael joined Britsu. Gerald first joined R&S and then Britsu who later acquired NetTex. This topsy-turvy reorganization intensified the challenges of what reporting by a junior manager to a senior manager involved. Only the three of us shared the knowledge of our past positions yet none of us discussed or disclosed it to others.

To live through such upheavals, to work with the participants and experience the subsequent psychological and dynamic processes of social and professional pressures, has been a remarkable and in a sense, privileged and perplexing experience (see later). Three years earlier, also following an acquisition, Joe, my immediate boss at NetTex was made redundant and I ended up reporting to Adam, who used to be INET's sales director. INET was a fierce competitor of NetTex. In an abrupt manner typical of the dot com era, NetTex had acquired INET. Over the years Adam and I had developed a mutual loathing and I saw him as a master of equivocation, but through this acquisition, he had become my manager. Because of my past, I found it difficult to trust and respect Adam, which eventually, despite exceeding my sales targets, led to my redundancy (see chapter four).

These experiences confused and frustrated me especially as I linked progress of business with 'trusting relationships' (Samsup and Shimb, 2005; Stahl and Mendenhall, 2005) that post acquisition changes messed up i.e. I blamed M&As not the people. Another example of post-acquisition reorganization in which I lost a good boss was much earlier in 1983. Having completed the extrusion of a million dollar submarine cable, tests indicated that some fibers had broken. But having enthusiastically watched the extrusion process all night, I was convinced that there were no breaks. However, people believed the tests. I began to doubt our testing techniques. I felt proud when my manager, Deleme, sensing my resolve to prove that the cable had no breaks (and to save the expensive cable from being scrapped), agreed to my (rather mad) idea of resting the cable along the hard shoulder of a motorway. At 3AM the following week, the police cordoned off the M4 motorway as we re-tested the fibres and to my delight there were no breaks. Following that experiment we modified the drum design and the cable take-up tension which led to reduced process wastage. I felt good as my boss had backed my idea and I felt an important member of a great supportive team of colleagues. Success for me (though probably idealistic) meant success for my team and our organization and vice versa arising from 'mutual confidence and trust' in our relationships (Stahl and Mendenhall, 2005).

My first experience of M&As however, that of the 1983 acquisition by STC, followed soon after this incident. The reorganizations disrupted, even terminated, many operations, projects and the relationships I had come to value. Deleme's sudden redundancy as our chief engineer devastated me. At my level in those days, a fresh recruit, I felt my colleagues and I were being moved around and even discarded as if the owners were playing a game of chess. I used to imagine their chessboard as organizational charts and we were the pieces in this grown-ups' game. I also felt a victim of the M&As.

Years later, reflecting on my feelings about being a victim, I returned to Sennett's (Sennett, 2000; 2006) ideas about the deterioration of individual identity in the workplace, gradual loss of community and the relationships under the capitalist system becoming superficial and comforting. Although Sennett separated people and organizations, it was his account of the indifference of the 'Western corporations' to their employees that resonated with me. Another strand of literature that provided comfort towards my earlier feelings of confusion and frustration was corporate control theory. For example Berle and Means (1932) had a particularly pragmatic effect on me, because it helped me make sense of the power that corporate executives seemed to have over me, my colleagues and our department. Berle and Means (ibid) defined corporate control as

> the actual right to choose the members of the board of directors of a company or the majority of the members whether through the exercise of legal powers or by bringing pressure to bear.

This was how I explained to myself the departure of Demele, soon after the acquisition. Similarly, Jensen and Ruback (1983:5-50) refer to corporate control as the authority to employ and dismiss staff and managers at the highest level and to determine their remuneration. Fama and Jensen (1983:301) further discuss 'decision management' and 'decision control'. Decision management they argue includes

> the decision of initial proposals and its implementations after authorization while decision control includes the examination and approval of the proposed decision and supervision of its implementation.

According to this differentiation 'specific powers of control received by managers are decision management powers while the remaining powers owned by the board of directors are decision control powers' (ibid: 325). My response to these readings was to somewhat legitimize exercises of power by higher executives to implement reorganizations albeit they often messed up everything for me including personal relationships and the projects I loved. I understood that they had both the power and the right to do what they were doing.

However, despite the literature rationalizations, I continued to feel 'done to' (Noble, 2009) by higher powers including CEOs described as 'superstars' where the separation of businesses and individuals in M&As made little sense. Nevertheless despite resigning myself to being subjected to what I considered were these higher legitimate powers, I was puzzled by how often my realities of day-to-day organizational life differed from the announcements. For example, in the official announcements following STC's takeover of Cwmcarn Cabling, they had stated that 'this new enterprise plays a vital role in our future successes' and reorganized us accordingly.

Yet two years later the plant was sold off, many got laid off including some of the corporate signatories of the announcements. But apart from the control issues, for all intents and purposes, I had come to the view, without noticing or questioning, that M&As had certain higher level logic that were all for the eventual good of the business. I reasoned with myself that probably the rationales were too complex or beyond my understanding as a less experienced member of the organization. I cannot pinpoint the origin or the formation of these impressions. I would imagine that the literature which I had read, my MBA notes, the professional management courses that I later attended, the management journals I had read, the news media as well as my conversations with others and even my family and upbringing may all have influenced these perceptions. I had come to consider companies as complex systems run by 'super individuals' (Baranchuk et al., 2007:7) who understood them better than me.

My understanding of companies as systems was that of sets of interacting elements, including people and raw materials, performing as a whole, sophisticated operation to deliver services or make products. I also considered our company and competitors in the telecom sector as the smaller elements of systems that in aggregate made up higher level systems such as our industries (Batten, 2003). Industries in turn made up the larger global supra-system which we were part of. These images made the literature make sense about the rights and roles of the owners and corporate executives to conceive and undertake M&As. I then made sense of the reorganizations as the new management/owner's ways of monitoring and controlling matters better, to ensure that new/better goals would be realized. It was in such a context that I saw the role of senior executives as being at the helm of organizations - as the shapers of further success that included M&As and reorganizations.

However, even these impressions that I had formed often differed from much of my daily realities. So in the next section, to illustrate the confusing diversion of the actual course of events, I include (from a personal diary) the announcements at the 2001 annual meeting at GN NetTex held in Puerto Rico. 400 colleagues from our offices around the world were, for the first time, brought together including the staff of the newly acquired Photonetics

The Photonetics acquisition

Tony (our VP) presented the corporate management's new vision, strategies and action plans for the combined business. At first I felt special for being invited to such an important meeting but soon felt disappointed because many of the things I was interested in finding out were skimmed over. For example, the official presentation did not mention whether this was a merger of two similarly sized companies or a takeover. Later when I asked Tony whether it was an acquisition or a merger, he said 'of course Farshid! We are all equal'.

Probably I related who acquired who, to who might end up in-charge and saw this as a good indicator of what those (that I might have known) at the helm might be thinking about. I also related this to my own interest and how I might get affected. As far as Photonetics was concerned, I only knew that due to the similarity of most of our products, we had been competitors. At the end of his presentation, Tony invited everyone to walk around the room and meet each other. He had said that 'the markets were growing' and we were going to hire more people. He suggested that we study the posters, and talk among ourselves on the messages of the posters including possible common customers, the features of various products, and then to give management 'open and honest' feedback.

After the presentation, colleagues and I began privately analyzing Tony's presentation. Ian, one of our more experienced sales managers, explained why he thought there would be redundancies, site closures and various negative impacts of the acquisition. As Ian left, David (another sales manager) pointed to a poster titled the 'The vision for this union' stating 'Our synergies and technological mix enables the combined group to increase responsiveness to customer demands by 17%'. David with a deep sigh said 'but what do you *really* think will happen?'

David's remarks raised my anxieties about redundancies which I had discounted when Ian had mentioned them as this had officially been denied. We walked together around the room reading the expensive-looking framed posters. Generally the posters were saying that based on the nature of operations at both companies; there would be great cost and performance improvements for the combined entity. Yet our conversations reflected apprehensions. I felt as if there were two main themes in the room: the formal celebratory managerial theme and a multitude of shadow conversations between people and personal interpretations on the merger.

Theme 1: We interpret things

I first wrote the above narrative in 2003 but have frequently reflected on it. Each time as I think back to those days, I make a slightly different sense and interpretation. Some of these different interpretations and new meanings emerge in the light of new information not known at the time (see below for examples) and some are due to my emerging understanding and development as I have progressed my thesis. Furthermore, even at the time, despite the official reassuring messages, people were still interpreting what was formally said, filling in the gaps they felt were not said officially. I recalled how we dissected and reconstructed the announcement based on the official presentation plus what we felt were the missing parts of the 'real' picture. Tony had stated in the official presentation that there would be no redundancies, closure of divisions or sites. But despite the reassurances, that evening, this had emerged as a theme of many conversations. When I later protested that Tony (whom I saw as an authority in M&As) may be telling the truth, Ian, who had been with the company much longer, patted me on the back and said 'you don't know Tony'.

Back in 2001, many felt that there was nothing particularly significant or unusual about Tony's comments that (a) 'markets were growing' and (b) 'it was a merger of equals'. Later however, it transpired that 'GN NetTex had acquired Photonetic' (Hui, 2000) - there was no 'merger of equals' as Tony had portrayed. Fischer (1970: 209-13) discusses how narrators re-explore events differently in the light of later knowledge. My image of Tony as 'an authority' and management at the helm began to change as I began reflecting on how I was at the time making sense of M&As in such a way that would fit my previous perceptions mostly in terms of mainstream thinking and how I was then reconstructing and reinterpreting my experience of M&As.

Another point about the above narrative i.e. worries about redundancies, did not materialize. Instead some other quite unexpected things happened. Six months after that glamorous presentation, the entire merged organization was declared bankrupt and many including Tony lost their jobs. The Photonetics acquisition had taken place during what since become known as the speculative dot com bubble (Galbraith and Hale, 2004; Kindleberger, 2005) which 'burst' towards the end of 2001. Many telecom and computing companies, burdened with debts, had to sell up much of their assets for cash and formally filed for bankruptcy. Five years later, the fate of our company was summarized in the Danish press (Pyndt and Pedersen, 2006: 57):

> To establish a solid position in the fiber optic industry, GN bought Photonetics for \$9bn in 2000. The company soon became the 'bleeding wound' of GN as the fiber optic market *vanish*ed during 2001-2002. The NetTex division was eventually sold to the industrial investor AXCEL for Danish Krona 1.

Theme 2: Unpredictability

An important phrase for me in the above quote is the word *vanished*. This is the other organizational reality of experiencing M&As, namely that of uncertainty and unpredictability which contrasts the all optimism of pre-merger talks. At the Puerto Rico meeting, there was all round applause when Tony announced the merger but without saying that they had paid for the acquisition in cash. It is reasonable to assume that they did not know how disastrously the future of our company would change six months later. Tony and many other top executives too lost their jobs as a result of the bankruptcy. It is also reasonable to assume that they could not have been clear themselves about what was going to happen.

Upon reflection it would also be unfair for me to single out our executives whose well-intended M&As during the dot com era, had not worked out. Indeed the global financial crisis of 2007 too, that later became known as the credit crunch (Turner, 2008; Ishikawa, 2009) was also unexpected for many. A justified criticism is not that our executives did not know things they could not have known or possibly could not admit/show themselves as incapable, but that they did not recognize the limits of their influence to introduce change. It might be related to how they wanted to be seen prepared to meet expectations and their ability to grow business, to be in charge and yet not able to admit not knowing or being in control. If I was in their position I too could not show myself as incapable and would have felt that I have got to be seen as calm, in control, decisive and I would have wanted others to think that I knew what I was doing and what was going to happen. These are possible aspects of the complex responsive processes of relating and behaviour in our local interaction that CRP theory could help me explore.

I now believe that any criticism is probably more in the unwarranted confidence with which M&As were being undertaken. The confidence I am referring to has been attributed (Fonseca, 2002; Stacey, 2010) to overlooked assumptions about the ability of executives and management teams. These assumptions include being able to realize and run, in pre-determined ways, combined businesses. The posters at our Puerto Rico gathering also encouraged us to think that the past was an indication of future events. Pike and Neale (1998: 620) describe M&As among the senior level strategic choices for appropriate business structures and argue that they ‘should be evaluated as an alternative form of investment decision’.

The perspective of viewing and managing M&As as an investment option also echoed as a clear theme in the interviews of Allan, the president of the AXCEL Group, who had acquired us in 2003. When Allan first visited our offices, to take questions, as a representative of the official new owners, I asked:

Farshid: Could you please tell me why AXCEL, a Danish Pension group would buy a struggling Test equipment manufacturer in the Telecom industry?

Allan: AXCEL manages a portfolio of companies. As far as buying NetTex is concerned, the previous owners agreed the sale at one Danish Krone (<$1). They wanted to get rid of a 'non-performing' asset and agreed to take on hundreds of millions of dollars of company debts which NetTex owed, i.e. a debt free acquisition for us. The only clause in this deal was that if we could turn the company around and pull it out of its dire financial situation and it started to make money, GN was to be a partner in any net profits for 3 years after the sale. So the cost to acquire NetTex, so that we could turn it around, was just our management expertise; no cash or hard investment was necessary.

Next I would reflect on aspects of Allan's above response that were particularly significant for me.

My reflections and reaction

One of the people whose insights I valued and who had been important in my decision to join GN NetTex back in 2000, and who became my boss, was Lars. He repeatedly said that business was complex, that there were no universal recipes for success, and used to spend much of his time gently coaxing the best from people. Unlike Allan, people like Lars hardly made it onto the front pages of the media. Allan's answer to me about why they had acquired us contrasted with what Lars used to say. Lars who was interested in sailing used to say no one much remembers smart cautious captains... in sailing, business and finance, as on the seas, the hero is the person who tackles a problem, rather than those whose subtle actions prevent the problem arising.

I had joined NetTex and felt motivated reporting to Lars as a cautious captain. We successfully introduced new products including a Remote Fiber Test System which personally made me feel proud. Allan's remarks during the above interview on the other hand, made me feel inferior. It was as if they saw themselves being able to do a better job at the helm. I also felt sad as I saw being sold off, as our teams' failure. Or perhaps I was seeing it as if I myself was being sold off. I was also angry because I felt helpless in what was happening. I felt humiliated because I perceived that the new owners saw themselves as heroes who were now going to run the business 'properly'. I had originally joined the company because NetTex had been a reputable brand and a technology leader in the telecom industry.

The disclosure about the sale of the company at DK1 (<$1), and its massive debts was a huge shock. They had paid billions in cash for the acquisition of Photonetics and this had been proudly announced at our Puerto Rico sales meeting. Tony had announced the news of Photonetics acquisition as a 'key factor making us indigestibly big and a stronger player in our industry'. I got angry, because the $9bn acquisition paid in cash also seemed arrogant in the way it was announced and with hindsight, risky as it had depleted all cash reserves. Had NetTex executives not been so over confident, when the telecom industry bubble burst in 2001, we probably would not have been so insolvent that the company abruptly became bankrupt. But it was not just our executives who had appeared confident. The new owners too appeared confident of their managerial abilities to 'turn the company around' which reminded me how Stacey (2009:53) talks about executives' need to 'act into' expectations.

Portfolio management and my messy reality

The way Allan explained it, the companies they bought formed their portfolio. Their portfolio was a 'collection of companies with appropriately related synergies or complementaries'. The portfolio and the individual companies in it were, according to Allan, 'brought into profitability through their analysis and fit'. This comment made me think that what in Allan's eyes was necessary for making a company profitable was their better management. I felt small and belittled by his remark as I interpreted it as he was blaming us for the troubles the company was in; as if he was saying they knew better.

The above view illustrated for me how Allen and his team saw themselves as the wiser outsiders diagnosing us; we were their new pet project, to turn around and make profitable. I felt humiliated by what I considered their grand image of themselves as some sort of super-managers. But I also wanted our company once again to be seen by customers, suppliers and the new owners as a viable business with great products that I had proudly joined. So I decided to wholeheartedly support the new owners, hoping for better times ahead. I related my response to how Bentley (2000) explores the ways managers develop 'a vested interest in the continued existence and success of the organizations of which [they become] a member'. This is also probably an element in my own survival. Next I explore how things turned out for the new owners.

After the purchase of NetTex

The reality however, turned out to be different to what Allan had announced. The following year, instead of turning NetTex around, AXCEL started looking for buyers for us. They began selling off company buildings including our Danish head office at Brondby which I particularly liked. What also puzzled me was how their initial statements about turning NetTex around gradually changed to comments popping up in memos blaming the market conditions and much longer times needed for their visions to materialize. Colleagues and I interpreted the sell-off of the buildings as signs of things not going well and cash flow problems. The sale of the buildings was followed by redundancies and then the sale of the whole company to Britsu. When the news of the sale was first announced, the contrast between what had been envisaged prior to the acquisitions and what actually became our fate triggered many past memories. For example the June 2000 GN executives' comments that the purchase of NetTex in 2000 that was to give Great Nordic 'a solid position in the fiber optic industry' became a 'bleeding wound' in 2002. Instead, Great Nordic sold NetTex off after just two years. Similarly in initially buying NetTex, AXCEL executives had announced 'in purchasing NetTex, AXCEL Group would undertake to share any profits over the subsequent three years with Great Nordic'. Instead, AXCEL ended up selling off many buildings and then the whole of the company in just over two years.

These are realities in my experience of change in M&As. As for the continuity of business activities, these were often not in the manner that had been announced. To me, our executives' conduct reflected the mainstream views and also the literature i.e. wholesale correlation of M&As with growth and/or improvement, with executives in-charge of these rational corporate activities.

Theme 3: gaming and dishonesty

Another aspect of my experience is 'gaming' (Stacey, 2010:209). In 2002 Lars told me to write a text for our web portal about *Quest Mobile* (a new product we were developing). But engineering colleagues had told me that at least another year's development was planned, yet I was told to put it up on our website as 'ready'. At the time what I did not know was that this was part of the initiatives to *dress up* the company as our corporate executives were looking for potential buyers. Soon after, other development projects were subcontracted and redundancies announced. Later Lars, as if reassuring me, said that a measure of the attractiveness of a company for potential buyers was the ratio of staff numbers to the turnover. He described the subcontracting development as 'harmless gentle manipulation'. He also disclosed that we were in financial difficulties. I felt good about the disclosure as I felt included but began to worry about my job. I also saw it as exercise of power which Levine (2003:241) describes as power 'through persuasion'.

In the context of this instruction to write a web portal for Quest Mobile as market ready when in actual fact it was not, I felt that what Lars was doing was telling me that he knew he was doing wrong. However, since he was Lars (i.e. he was my boss and the company vice president), and was telling me all the stuff about dressing up the company as the reason why he was doing this wrong and he wanted to justify it to me and not have me blame him. This is what I now understand by the word 'complex' i.e. the interrelatedness of human responsive issues. However, despite Levine (ibid) describing different sorts of power e.g. persuasion as a form of power, I felt Lars was exercising his power over me as his staff. And in this context my relationship with Lars was part of what Stacey (2008: 12) calls 'patterns of power relating'. However, whilst Lars had his power over me, equally he seemed dependent on me for my cooperation. So I also had some power in this relationship and through his explanation, Lars was acknowledging that, i.e. I could land him in trouble for example by disclosing what we were doing. In this sense there was a lot more than persuasion going on between us i.e. Lars was acknowledging my power while at the same time exercising his own power over me.

Nevertheless, despite continuing to think that what he wanted me to do amounted to dishonesty, I prepared the text as instructed and also fearing my own redundancy. Stacey and Griffin (2008) explore values and experiencing conflict and compromise emerging in local interaction which was what I was grappling with. The fear of redundancy was overwhelming. To write the text I began by gathering many different pieces of what I considered relevant information on matters such as costs, benefits, and product features, including them all on a spreadsheet. Pressed for time, in my spreadsheets, for pricing the features, if development colleagues were not available I made any missing data up. I had slipped into an imagination overdrive. Whatever the product development reality, no cell on my spreadsheet was to be left unfilled. Where necessary, I put a finger in the air. In this exercise extravagant flights of fantasy became normal. I even came up with features and benefits that others could not know had not been originally included, such as a print application. The impression of the rationality my text would convey was spurious. I was conscious that others looking at my spreadsheet and text might come to their own judgments and impressions – typically this would be by tweaking some of my assumptions and seeing how the various scenarios could change compared to their notions of the Quest Mobile. Yet any belief even if mistaken would enforce the view that this product existed and might contribute, in some sort of objective way, towards our company valuation which Lars had indicated. A few days after his initial instructions, Lars added an explanation that an M&A consultancy industry has emerged that has expertise in company valuations which includes information on company web sites.

So in this 'game' I was joining, I understood that the potential buyers were assuming that we were dressing up the company web site. But in this sense, we were assuming that they were assuming that we are dressing up the company through the information we would put up on our website. And that related to the ethics of our actions and choices which related to our identities which I will explore in chapter three including why I didn't protest more. But here what I considered as ethical conducts were becoming subject to our circumstances and contingencies. I felt other explanations by Lars including 'harmless gentle manipulation' also amounted to power relating in what Levine (2003: 241) calls 'educating people to stay on board'. Lars elaborated that scanning company web sites had become almost essential for investors when appointing advisory companies for valuations. Gardiner (2055) defines among the critical success factors in M&As, company valuation (ibid, p.201). I was also aware that to their own profit, these consultancies have developed certain procedures into scalable quotations in which junior analysts were used to input their findings and figures to generate quotes for their services. At the same time I acknowledged that valuations were important to my bosses and others in M&A transactions. Many quantifications including valuation, are an essential part of decision making in M&As (Andrade and Stafford, 1997; Dickerson et al., 1997; Bild, 1998; Bild et al., 2002). But decisions felt more like contingent compromises and agreements rather than being timeless or formulaic. I had joined in this game with enthusiasm but upon reflection, I kept wondering why I had behaved and responded so compliantly? And if I had joined-in, I wondered if others in my position i.e. being instructed to make-things up, in similar situations, would also behave similarly in compliant ways and join-in. I thought that if Lars as my boss was doing this, i.e. instructing me to make things up, would other vice presidents and senior executives also issue similar instructions to their staff?

All these personal reflections and actual activities made the term 'detached involvement' (Stacey et al., 2005: 9) resonate in my experience. I also found my understanding of what was going on continually changing in the all feverish preparations for meetings and getting more drawn into the buzzing atmosphere. At times it was difficult to distance myself from it all but at times I kept arguing with myself that what I was doing was wrong and felt a constant battle in my mind going round and round in my 'engagement and detachment' (Stacey et al., 2005: 9) at the same time as the deadlines to submit my formal report drew closer.

But all proposals to proceed with any acquisition initiative, based on contributing proposals like mine, I reasoned with myself, are necessarily simplifications of the much richer reality of local interactions and circumstances around preparing these reports. The details of the analytical exercises that go beforehand and their circumstances are often difficult to fully comprehend even for the people preparing them, including what I was doing in this exercise. I drew comfort from the mainstream literature that the relevant evaluation is also time dependent and always specific to the company being considered and 'there is no absolute objective method' (Bild, 1998:4) of determining the right price in any particular initiative. I felt as though I was using Bild's assertions to justify what I was really doing… making things up!

However, I also felt guilty because my manufactured document would influence perceptions and induce perceptions of the reality of our company's position about a product which was still under development. My text was claiming reasonable analysis and asserting certainty in the face of a reality with much uncertainty and ambiguity about development timelines and attaching a veneer of rationality to our product introduction that had in fact been a mix of my development colleagues' words and my speculations. However, I submitted the document to Lars including the text for our website. The following week, Fiona, in Sales Administration, added a new Quest Mobile section to the price list. I felt as though Fiona and probably my other 'non-technical' colleagues, deemed what I, as an 'expert who knows best' (Mowles, 2011: 16) had presented was a professional / objective assessment and is probably why no one questioned me over my report. But the appearance of a new price list section for a product that was still under development had a lot to do with my relationship with Lars which made this possible and what might otherwise be called unethical behaviour. And in this unethical behaviour I was assuming to be part of a game that I presumed we all knew the other side were playing too. And this reasoning seemed to make it all justifiable though at the same time it related to my respect for Lars as my boss and actually was overriding my personal concerns and values.

In the next section I will explain similar manipulations, by KDSU, a competitor, but on a different scale, as another aspect of my lived experience of M&As.

KDSU's M&As

At our 2002 company Christmas party, I came across Arthur. I had first met Arthur when he was at Hendrix - our German distributor. Arthur and I had visited Nuesdat Glass where we had made our quickest ever sale. The sale had become easier because the key decision makers were Thomas and Gerhard who were Arthur's university classmates. They had established Nuesdat Glass after graduation, to manufacture optical transceivers for internet service providers. At the Christmas party Arthur said that Thomas and Gerhard had been made redundant which shocked and saddened me. He told me the story of how they had lost their jobs. Arthur explained that Nuesdat Glass had accepted a takeover offer from KDSU. Arthur explained that

> the customers' behaviour seemed a response to the demands from internet service providers who wanted to accelerate deployment of fiber optic networks. To meet these aggressive deployment plans, most companies were looking to 'forward-buy' optical parts. They wanted to expand production, shorten development cycles and provide new products and functionalities in anticipation of the insatiable demand reported by 'the people in the know', presumably forecasters and investment communities. Our own executives and customers too, believed in this rapid bandwidth demand growth.

I added that was probably why many firms including our own, saw strategic M&As to be a complementary way to more rapid scaling up of operations to bring greater volume and a broader range of products to customers faster. So this at the time seemed all logical to us! It was in this sort of stampede climate, Arthur explained, that KDSU had acquired Nuesdat Glass; to expand into the European market. Arthur continued

> it was following KDSU's acquisition that Thomas and Gerhard purchased the additional equipment from us. But the shipment was, eight months later, still in original boxes in a nearby warehouse. The hurriedly placed order had come from the KDSU headquarters in US. When I pointed this out to KDSU procurement manager, a reply came instructing us to deliver to that warehouse. I had then contacted Nuesdat Glass to confirm this, but they told him there was no room for new machinery so the new owners would continue paying the storage fees at the warehouse.

A year later Arthur had gone to see Thomas and Gerhard. That night they all went for a group dinner. Over dinner a visiting US manager of KDSU told Arthur why the shipment was still in the warehouse and why they had ordered it in the first place. The first reason had been to stop competitors getting equipment and also to lead others to believe that KDSU had huge manufacturing demands in Europe. This he had suggested might put off many competitors from setting up in Europe. He added 'KDSU is awash with cash due to soaring stocks prices'. Arthur had received the news of our friends' redundancy just a few months before our Christmas party. They told him that when the agreement to sell the business was signed, they put in a clause that they'd all be retained in the same positions for three years after the acquisition. With their generous purchases and promises to scale up manufacturing, little had anyone envisaged redundancies let alone the shutdown. KDSU had completely closed down the Nuesdat Glass as the anticipated massive demand had not materialized. KDSU filed for bankruptcy protection the following year (2003).

Some reflecting on the KDSU acquisition

The above narrative depicts the destructiveness I saw as the games individuals engage in and the perceived morality of acquiring businesses when compliance could mean their behaviour is ethical even if it goes against what they feel they might do in their 'private' realm! Listening to Arthur, I felt angry about how JSDU executives could legally acquire and shut down a business. Whilst to JSDU executives that initiative was part of a business decision, I saw our friends as victims of M&As. My feeling was that the literature and the rights of executives were not going to be much consolation to the victims. I then recalled a similar experience when in1985, Nortel of Canada acquired STC which I worked for. I saw Nortel's management as the *butchers*. They divided STC up into divisions – some were sold off, some retained and some shut down, including the Harlow division where I worked.

The above narrative also reinforced the sense of dissonance between my experience and the mainstream notions about M&As being objective business activities. It also highlights the less acknowledged individuals' motivations and behaviour.

Mainstream literature and my evolving M&As perception

What I have described so far are aspects of change and continuity in my experience of M&As. Speculation played a role in the conduct of our executives and those of the competition. For a fuller context, I will now briefly reflect on some strands of the traditional literature which I believe were contributing to the sense of dissonance between my experience and the mainstream views of change through M&As as improvement initiatives. I then turn to and discuss the more recent literature strands that I argue were reinforcing the dominant discourse in my experience. These include cultural issues, due diligence and goodwill. My M&As literature review is in appendix one, but a recap here is helpful for the forthcoming discussions.

In the literature, mergers are generally described as more consensual whereas resistance or hostility in takeovers and acquisitions is not unusual. In my explorations, drawing on Lubatkin and Shrieves (1986:497) I have been using 'the terms M&As interchangeably to mean any transition that forms one economic unit from two or more previous ones'.

Frequently cited reasons for undertaking M&As include increasing shareholder value (Vos and Kelleher, 2001), general business growth, expanding operations, entering new markets (Kerr, 1997) (1998), acquiring new technologies, realization of economies of scale (Lamacchia, 1997 cited in Rieck, 2002) and acquiring expertise sources that may normally be outside companies access.

A phrase often used in the literature, in planning and realizing the above objectives is synergy (Wasserstein, 2001). The non-theological use of the term synergy began around 1925 (Amazines, 2007) but in the context of M&As, Pike and Neale (1998) describe synergy to mean 'that two enterprises will be worth more if merged than if operated as two separate entities' (p.652), or in the words of De Wit and Meyer (2003) 'the common definition of synergy is 2+2=5' (p.450). Compared to the more traditional industries (like steel, mining or transport), the telecom industry is relatively new, around 70 years (Dilhac, 2004), but it has experienced fairly substantial changes with respect to technology, regulation, industry structure, and growth. M&As have been common in the telecom industry especially over the past 20 years (Tichy, 2001; Ingham et al., 2007).

M&As 'improve shareholder value faster than other alternatives including internal growth' (Rieck, 2002:17).This is attributed to the recent rapid expansion of global trade which has driven up international traffic volumes and increased the demand for communications solutions requiring global presence. Also, throughout the past few decades governments all over the world have phased in liberalization programmes for their telecom markets and been privatizing their national carriers (ibid: 4). The newly arising business opportunities, according to Thompson (2002), have triggered a series of international M&As. He discusses how the phenomenon of such cross-border telecom M&As 'enhance profits, expand market share and increase corporate competitiveness by employing international production networks more efficiently'(ibid:4).

Other strands of M&A literature though, highlight the chequered record of many (Ingham et al., 2007) concluding that these activities do not enhance performance. This contradiction used to puzzle me in that if M&As are growth and/or improvement options, then there must be certain types of traits, skill, expertise or know-how that would bring about the changes, improvements leading to smoother continuity, without disrupting lives. I used to look for clues through books, journals, articles and conversations with our board members. At the same time I was struggling with my own realities that the changes through the M&As that I had lived through had rarely followed the initial plans and expectations.

Being an Electrical Engineering graduate with an upbringing influenced by my vocally positivist father, I continued my search for a 'truth out there' while continuing to view M&As as a change tool. In this context I found Kay's (2004: 1) analogy that 'second hand firms have something important in common with second hand cars' resonating with my experience. As a student going to car auctions, successful bidders were always the people with the highest bids, which was why their bid had succeeded. The sellers always knew more about what they were selling than the buyers who were competing against each other, all hoping for a good buy. Kay (ibid) concludes 'so companies get taken over that should stay independent, and companies stay independent that should be acquired'. I see Kay's perspective as prescriptive in how he repeatedly uses the word 'should' in the context of M&As. Such metaphors and explanations used to reinforce my perceptions of companies as wholes and relating successful change through M&As to technical and commercial skills.

I also particularly enjoyed other approaches to the study of organization including Easterbrook and Fischel (1996) and Boatright (2002) ridiculing anthropomorphization of organizations as sentimentalism, proposing instead that a company is a nexus of contracts defined by its charter or articles of association. But this approach too mostly cut out many aspects of my lived experience which I was increasingly seeing as too significant to exclude. At the same time, I wondered if I could use the neat concept of organizations as a clearly defined nexus of contracts and the second hand car analogy to complement the messy reality of change in my lived experience.

It is on reflection that I realize that I was still viewing companies as wholes, and searching for tools that I could invent or use. I wondered if M&As with different approaches involving the best of breed advisors, lawyers and different strands of talent or methods might lead to the intended changes and deterministic continuity. This perception raised my interest in cultural due diligence and goodwill as if these were the missing elements. I present these in the next section.

2.1.1 Cultural Due Diligence and Goodwill

Some studies point to the little attention paid by managers to the human aspects of bringing organizations together. Paulson (2001: 9) describes due diligence as 'usually the most time-consuming, nerve-wracking, and expensive stage of the M&A process'. The due diligence stage is to help the buyer understand the inner workings of the seller's company. Paulson notes how the sellers are often torn between two conflicting desires during the formal due diligence stage. The sellers want the buyers to learn what is needed to feel more comfortable about their purchase. But at the same time, the sellers are careful not to reveal anything unnecessarily in case the deal should not proceed to a final purchase. Getting the balance of what and how much to disclose is particularly acute when the acquiring and the acquired sides are competitors. Hagburg (2003) highlighted how the expectation for things to work straight away, are rarely explored. In the same context Robbins (Walz and Hicki, 2004: 2) explores cultural due diligence as a vital criteria in improving how organizations should be brought together for change in terms of improvements. Accordingly this became a major area of interest for me. However, as an outcome of studying complex responsive processes theory, I soon felt cultural due diligence was being 'instrumentalized in order to achieve the goals of senior management, becoming a tool of leaders' (Griffin, 2002: 216). This resonated in my experience but how despite our efforts, the intended changes had rarely materialized. I recalled how in most of our meetings, our HR colleagues contributed their reports. These were added to the final file (which included the accountants', the product integration teams' and lawyers' reports), as if to tick a box that this too had been considered and completed.

Goodwill is another 'relatively new concept' (Higson 1998, Tearney 1973, Davis 1992) and explored but often in an accountancy context i.e. another 'consideration'. I found this area also intriguing. Goodwill according to Zanoni (2009) and Nikolai et al. (2009) can be can be thought of as an 'umbrella concept' embracing various intangible features of a company's activities that could lead to superior financial performance. These include the name of the company itself, excellent management, an outstanding workforce, effective advertising and market position, as well as patents, copyrights or outstanding credit ratings. Different methods of goodwill measurements have been developed (Tearney 1973, Woolf 1990, Davis 1992, Arnold, 1992, Johnson and Tearney 1993) for comparing, combining and depreciating goodwill as a financial factor in M&As. I saw these as important and another worthwhile area for exploration.

However, the success or failure of M&As in such studies is primarily in terms of changes in financial performance. These include comparisons of pre-and post-merger profitability (Bareber and Lyon 1996, Manson et al 2000). From such perspectives, M&As are considered successful if corporate financial performance improves. That is 'the present value of the financial benefits are greater than the present value of the costs i.e. they are successful when the marginal returns from acquisition is greater than the marginal costs' (Cosh et al 2001 p4). The scientized language (mathematical, statistical, sampling analysis) used in these studies gave me the impression that these were better ways to increase predictability of financial success and hence bring about the intended changes.

Classifying M&As is also common. Classifications such as 'hostile takeovers' being more profitable than 'friendly takeovers' (Morck et al., 1988) or success rates of 'national' mergers being higher than 'cross-border' acquisition (Cosh 2003) are examples. Other notable assessment strands are improvements in evaluation methods. For example, accounting and event studies by Barber et al (2004), or assessing the profitability of national versus cross-border M&A activities by Moeller et al (2002), short run share price gains by Andrade, Mitchell and Stafford (2001), or optimization of tax effects by Scholes (1990) are examples of similar approaches. Guest et al (2004) also imply generalize-ability:

> This paper examines the general question of whether acquisitions by multiple acquirers have more favourable impacts on performance of acquiring companies than do single acquisitions (ibid p.4)

In such studies, authors use parameters including bid size, market to book value, acquirers' size, cross-border versus domestic, profitability, and bid order as some of the performance variables for compiling statistical and regression analysis in their conclusions. For example

> We found that on average, an unsuccessful first acquisition results in a significant negative impact overall. Those acquirers doing an unsuccessful first merger do, however, experience an improvement in performance rather than the decline observed for successful first time acquirers. (p13)

However, all the studies mentioned so far discuss and offer analysis of the difficulties in managing and measuring change. Other studies go even further advocating that the only real beneficiaries of M&As are the shareholders of target companies, the deal makers, the advisors including financiers and banks but that long term performance is damaged by these activities. For example, Tichy (2001) found that just a quarter of M&As benefitted the consumers, another quarter increased profit but at the expense of the consumers and the rest reduced the value of the acquiring firms. Taking an investors perspective, Cosh and Guest's (2001) findings are similar to Tichy in that it is only the shareholders of the acquired company that make money while those of acquirers initially break even at the announcement but lose out in the long run. In their exploration of the long-run performance of M&As, Andre et al (2004) reported that M&As not only did not improve performance, but rather for many acquirers there was even a modest negative effect. This study echoed similar findings by Cosh et al (2003) the year before that in the long term, the cross-border M&As performed even worse. In considering mergers and profitability, Ingham et al (2007) question the consensus in the academic literature that M&As offer potential for enhancing performance by pointing to the doubling of expenditure by 147 UK acquirers. Their findings contradicted their survey of the executives at these firms about M&As, since these executives felt that their organization's performance had improved by acquisitions.

Reflecting on disagreements about what success in M&As means

If success in M&As is to realize the intended change(s) in terms of specific set goals, then one way of judging success would be to (a) define what the set goals for change are and (b) how to measure achieving them. Whilst this broad view may not seem too difficult to articulate, in practice there often is a high degree of subjectivity involved concerning what is meant by success in M&As because the change objectives for each acquisition are phrased and measured differently from another. However, taking the most cited objectives i.e. pursuing improvement and growth, necessitates some sort of universal agreements between practitioner and academics on setting and applying method(s) to use. Taking growth as a measure of successful change normally means financial growth be it in terms of factors that often include shareholder value, turnover or profitability. The problems that could arise include valuation of the companies for which there are many methods (Cosh et al, 2001; Guest et al, 2001; Bild et al, 2002; Conn et al, 2003), and the period of measurement that vary from organization to organization where some choose three, some five or even longer periods.

Once these issues are agreed upon, the other problem is measuring the results. Many argue (ibid) that we should not compare the financial performance of a merged organization three, five or some years after the merger with the financial performance of the individual organizations before the merger, arguing that we have no way of knowing how the individual companies would have performed had the merger not taken place. Some authors propose comparisons of 'as-if figures' (Walz and Hicki, 2004: 2) of the individual pre-merger organizations. The interpretation of as-if comparisons therefore could vary considerably depending on who is doing the comparisons. Other measurement methods include making and agreeing assumptions to compare the figures with peer groups (Dickerson et al., 1997). Furthermore, in such studies, the growth 'measure is adjusted for factors such as industry and size' (Bild et al., 2002).

All of the various comparison methodologies therefore involve making and choosing assumptions. For the peer group comparisons, the three typical methodologies are the annual accounts oriented method, the capital market oriented method and the event oriented method (Walz and Hicki, 2004: 2). The first considers various ratios of business performance that Walz and Hicki consider 'out of the external accounting system (e.g. RoE). It is rather a past-oriented method'. The second method, i.e. the capital market method, examines the 'abnormal returns which represent the difference between the share price expected before the acquisition and the actual share price afterwards (calculated by CAPM and Market Model)' (ibid).

The event method (Cosh and Guest, 2001) works out disinvestment ratios i.e. reselling the acquired organization and price variations to evaluate the financial growth attributable to that M&A transaction. This method is typically applied as a financial investment measure rather than an indicator for measuring economic growth yet it is often included as an objective in M&As.

Other than a financial perspective, another approach to successful change as improvement might be to ask the people involved (including executives, colleagues, staff, suppliers, customers and shareholders) what they thought of the changes. However, this method has traditionally been used for measuring the success of the integration process and, although not useful as an isolated assessment, it makes a valuable contribution to the evaluation of the M&A success. The various methods can lead to different results, therefore general statements about success or failure of introducing change through M&As 'can only be made under reserve' (Walz and Hicki, 2004: 2).

Another strand of the academic literature on M&A success places great emphasis on exploring the executive motives behind the various objectives for firms undertaking each transaction. For example, Trautwein (1990) and Cox (2006) cite synergy as the most common motives in various theories i.e. when the M&A transactions have a positive Net Present Value. As would be discussed in chapter three, both Trautwein and Cox observe that there never are any claims that the motive might also be related to achieving greater power nor instances where executives and managers refer to their own benefits in justifying their M&A proposals. Gaughan (2002) explores M&A motives by relating each back to various theories with empirical case studies and summarizes four main motives as a rapid growth means, economies of scale or scope, better access to capital markets leading to a lower cost of capital and M&As aimed at envisaged gains that a firm may aim for when applying their management skills to their acquired businesses. However the great majority of authors concur that most M&As are embarked upon for many complex motives, often varying case by case and none fully fitting any single theory/approach.

I have not come across a universal definition of success in M&As. For me this relates to how the varying opinions of the people involved means that our definitions reflect the meanings we each ascribe to success. Meaning and understanding are not fixed realities out there independent of people and would always continue to evolve. The continuous emergence of new perspectives and studies, the rise in both the number of M&As are also key aspects of change in the idea of M&As.

So far I have described the different ways my attention got focused, my intense preoccupation with M&As and the literature accounts. Next, I will explain what these means for my research.

2.2 My experience of M&As

What I have described so far are some of the contradictions and confusions arising not only in the experience of M&As but also in the various ways of understanding them that have emerged in the literature as orthodox, and thus widely accepted views. For example, the mainstream literature explorations include ‘pre’ and ‘post’ periods (Barber et al., 1997; Manson et al., 2000; Cosh et al., 2001). Indeed in writing about my experience of M&As, I too have used pre and post periods in my narratives. However, it is important to highlight that, the ‘pre’ themes and issues that I was writing about were also present in the ‘post’ and the post involved the pre M&A issues and themes that were emerging. Throughout our M&As there was always a sense that we were going through a merger or acquisition, but there was never an M&A moment. Instead there were lots of activities and processes going on. We all knew that at some point various things were going to happen and indeed we were eventually informed via a memo or at an announcement that ‘it’ had happened but these were all immersed in lots of other on-going local interactions that were taking place and continued.

Yet, as described in first part of this chapter, the dominant M&As discourse is based on the view that businesses are wholes and can be deterministically grown in terms of sales, market share or profitability. This could happen if top executives and advisors select and combine the right ones. Furthermore, these people can picture more efficient, effective or bigger firms emerging through reconfiguring operations, redesigning organizational charts, departments and empowering management teams to implement M&As.

In the terms I have used in chapter one and this chapter so far, this way of talking at our M&A meetings is in line with my perceptions of the dominant discourse and used to remove me from my experience of locally interacting with others. Indeed rendering me rationally blind to the relevance and significance of my own ordinary everyday experience including at times a sense of loss. Idealizations were also common at our meetings as were assumptions of power of our senior executives and us as product integration experts.

There was almost no acknowledgement of the idealizations and assumptions in some kind of ‘paradoxical tension’ (Stacey et al, 2005:17) with the actual activities of implementing the merger or acquisition. Our processes of local interaction never felt mutually exclusive as pre and post moments in time. They always reflected the various themes (see previous section) that were emerging and at least for me, the pre played a part in how I would make sense of the post and the post was affecting how I would be making sense of the pre. It was in such complex processes of local interactions that our idealizations were emerging and related to specific actions or initiatives e.g. to combine product lines, departments, operations or cost savings. And it was in these specific activities that the various themes were emerging giving rise to what the envisaged combined entity was coming to mean for me and others.

Colleagues and I were projecting fantasies of growth in company size, sales, profitability or the market position on to envisaged combined businesses. Often M&As felt like a metaphoric anchor for all our merger activities. The envisaged combined entities felt like particular kinds of objects that our directors and senior executives were especially investing so much importance in including involving various advisors and us as product experts. All the focus on these activities had also turned M&As into some sort of object that had come to have a presence and life of its own in my mind.

These were some of the aspects of my experience that seemed missing in the mainstream discourse that motivated me to include them in my exploration of change and continuity through M&As. What was also particularly interesting about the envisaged combined entities was how, each time people were discussing them, their qualities and attributes would change. For example if we were to do this first and then that and if the technical colleagues and I were to do A, B and C, then the combined organization will have this, that or even more traction in the world, and we could even achieve X or Y. The imagined merged entities seemed so real and fixed but also kept changing through conversations.

So as if in a direct cause and effect way, all M&As leading to the creation of bigger better combined entities, had become part of my mental life. The language of certainty, probabilistic analysis (both the literature and at our meetings) too had become my mental givens, reinforcing my consciousness about M&As and the merged entities. Growth through M&As and discussing characteristics of to-be-merged entities had become matters that I had begun to habitually take for granted.

Yet over time I was also noting that matters would hardly ever turn out as we had been discussing. Aspects of our discussions especially about the attributes of the merged entities began to feel as if they were more like continuously moving fantasies. And it seemed that orthodox views had no room for these aspects of my experience or the way I wanted to explore them.
So, one of the things that was becoming interesting for me as a researcher, exploring my own experience of M&As was the way that each fantasy seemed to provide a setting for people's

sense of making sense of what we were doing in relation to the combining businesses. These included the focus on mathematically analysing what we had to do to achieve this or that in X or Y number of months and reach this or that turnover or profit or market share over this or that accounting periods. Moreover, it felt normal at our meetings to discuss and describe attributes of the merged businesses as if they already existed as maneuverable objects. For me, all meetings and discussions about each and every merger initiative seemed to give rise to its own fantasies of the attributes of the combined entity and lead to its own set of action plans and to-do lists for its realization. Yet every time we discussed something, we changed and reinterpreted, refined and redefined facts, figures and percentages.

Although it's important to say that there never was a full agreement about all the attributes of the merged entities but as my narratives would depict, rather there were many different versions of how everyone seemed to interpret how things would pan out. But in all this the creation of bigger better businesses through M&As, as a concept, as a promise of the relationship between our actions and intended changes was a given which also united us. At the same time I also felt a sense of insecurity growing on me especially when matters got worse including when senior guys who had been party to the merger initiative ended up losing their jobs. I began to feel that the very fantasy object i.e. the merger that was of our own making and to which we were anchoring all our hopes and efforts, had paradoxically become that which had brought about the personal conflicts, disagreements, redundancies and disappointments. Having accepted that merged organizations could lead to business growth and improvements, one of the motivations for me to explore my experience of change and continuity through M&As was to figure out ways of managing and avoiding the personal conflicts, disagreements, redundancies and disappointments that always seemed to arise.

After a few years of living through M&As and by the time of completing my MBA, it became my ambition to manage M&As more ethically and to teach myself to have different values such as less focus on profit or growth. I wished to learn how to cope with knowing that the merged entities were not going to be a taken for granted possibility in the same way as it is promoted through the media, television or the literature. This learning I thought was possible through gaining more experience and living through more and more M&As. But time and again all M&As continued to emerge and evolve unexpectedly each with its unique flavour, themes, conflicts as well as promotions and demotions for me. I began to feel that my concepts and perceptions of life and how things were being reproduced were constantly being challenged.

Separation of people and Businesses

There were ways in which I had been assuming that my actions would reproduce my personal life in certain ways. For example, I would get up every day, I would go to work and do certain kinds of things (e.g. as an engineer or later in sales) including attending meetings. I expected my job to be there, I expected that the people whom I knew in this or that position/role each day would still be more or less in the same position each day. And since in the traditional ways of thinking businesses and individuals were separate, M&As or not, I expected my close colleagues, bosses and I to still have some sort of our usual sense of mutual obligations or loyalties towards each other. In other words since my perception of businesses and people were that of separate entities, in the reproduction of my personal life I was assuming that the continuity and forms of reciprocity that I had been used to in our relationships would be more or less unaffected through M&As.

Yet whenever there were talks of M&As, I also felt as though people's behaviour (both of those attending the M&A meetings and those who might have heard something on the grapevine) was changing. Everyone seemed to have their own opinions and views about the merger. It felt as if the envisaged combined organizations were not just fantasies at our meetings. Even though officially mergers or acquisitions had not been confirmed or finalized they seemed to influence not only the ordinary everyday conversations of others but also the ways we had been normally working together prior to that. It was in such contexts that the complex responsive processes perspective was becoming more helpful in acknowledging the inclusion of a wider range of themes and issues of what I was experiencing. In the remainder of this chapter, I present a very brief summary of my emerging understanding of key aspects of the theory of complex responsive processes (Stacey, 2000; 2008). I then describe the implications of this theory as the foundational theory for my research and therefore also as influential in the methodology and method used for my research.

My understanding of complex responsive processes theory

This theory argues against the viewing of organizations as systems and managers as designers and architects of organizational destinies. Many studies have applied insights from the new sciences of complexity to the managing of organizations without due care to the 'assumptions about human behaviour' (Stacey et al., 2000: 10). They include simple rules, edge of chaos, fitness landscape, self-organization and non-linearity (MacIntosh et al., 2006).

Complexity theory emerged from various studies on computer simulations consisting of a large number of agents interacting with each other together forming systems that adapt to their environment (Goodwin, 1994; Kauffman, 1995). A key insight was the observation that complex non-linear adaptive systems function to produce orderly patterns of interaction, novel patterns without any overall blueprint. Stacey et al initially saw parallels between computer simulation agent-based approaches and organizations and societies. However, metaphors drawn from complexity theories and applied to human interaction soon revealed limitations. For example, unlike robots, humans do not follow instructions but rather respond to gestures in each living present. So 'to signal the move away from computer simulations and systems to that of human processes, we refer to complex responsive processes instead of complex adaptive systems' (Stacey and Griffin, 2008:6).

Complex responsive processes theory draws on Mead's (1934) theories of communication, Elias's (1939) work on processes of communicative interaction, constituting relations of power and Dewy (1934) and Joas's (2001) works on norms, values and ideology. Other aspects include explorations of the 'nature of human communicative interaction', the notion of the living present, ethics, relations of power, evaluating choices, thematic patterning of human experience, reification tendencies, paradox, meanings of complexity in this context and a narrative research methodology (Griffin and Stacey, 2005:9). I will next summarize my understanding these features.

Complex responsive processes of relating may be understood in terms of 'simultaneous processes of communicative interaction, power relating and ideological evaluation in which local individual selves/identities and global patterns of the social emerge at the same time, each forming and being formed by the other, at the same time' (Stacey et al, 2008:14). Our complex responsive processes of relating are temporal processes of interaction between human bodies in the medium of symbols patterning themselves as themes in communicative action' (Griffin, 2002: 204). These themes are always reproducing and potentially transforming themselves in our process of social interaction. They are emergent themes that simultaneously enable and constrain our interactions that also give rise to individual and collective identity and difference. Our identities are perpetually constructed as continuity with potential transformation through our interactions all at the same time. These themes of our interactions as they are iterated in local interaction, form and are formed by individuals.

Nature of human communicative interaction

I understand communicative interaction as a way of describing the interactive processes that have evolved in societies whereby through gesture-response our understanding of one another, novelty, power relating and identities emerge. Mead (1939: 72) understands consciousness arising in 'the communicative interaction between individuals'. He describes how our 'central nervous systems have evolved' such that when we gesture to others, particularly in the 'form of vocal gesture' we may evoke in our own body responses that may be similar to what our gestures could evoke in others (ibid: 83). Mead calls this communication in the medium of significant symbols (ibid: 23). Our gestures together with the responses to them become symbols in the processes of our communications and locally relate to one another. Our 'associative' use of each symbol is accomplished in 'turn-taking and turn-making' (Stacey, 2010:184) conversations that relate to our symbolic gestures and the further evolution of the themes that emerge.

Mead (1939: 72) also describes how in acting, we are also able to 'take the attitude', the tendency to act, of the other. Because of our capacity to communicate in significant symbols we are able to know what we are doing. Mead argues that consciousness (knowing, mind) is a social process in which meaning emerges in the social act of gesture-response. So, 'meaning can be indicated to others while it is by the same process indicated to the indicating individual' (ibid: 42). Each meaning is therefore contingent to each gesture which can never be separated from the response for that meaning to hold. In other words, meaning is not in the word or gesture alone, but in the gesture taken together with the response to it.

A key aspect of the complex responsive processes theory relates to the processes of our communicative interactions understood as the continuously iterative processes, in which each gesture by one, which itself will have been a response to a previous gesture, evokes responses in others. In such an ongoing process of responding to each other, we 'simultaneously intend our gestures and having them evoked by others' (Stacey and Griffin, 2008:7). In the context of M&As, this relates to what I referred to in the previous section about pre being present in the post and the post affected by the pre. 'As groups evolve and develop a past' (Griffin, 2002:195) and over a lifetime of interactions, people develop expectations of how others might respond to them as they each try to fit in with, or differentiate themselves from, one another as they go about their ordinary, everyday activities.

Since there is an 'element of spontaneity' in each of us, which sometimes even surprise ourselves, none of us can control or wholly predict the responses of others and thus of the meaning which will emerge in our interactions (Mead, 1939:46). Human communicative interactions are therefore always potentially predictable but also unpredictable at the same time. There is always a possibility therefore, for misunderstandings to arise and the experiencing of anxiety that this possibility brings. Potential for spontaneity, the simultaneous predictability and unpredictability and anxiety about possible misunderstandings that may arise, are all important aspects of human communicative interaction.

Mead also discusses how in our interactions with each other, we do not simply take the attitude of the particular other(s) with whom we are communicating. He identifies our ‘capacity for generalizing’ in that in our actions we can take up ‘the attitude of the generalized other’ (ibid: 136).

> The organized community or social group which gives to each individual his unity of self may be called "the generalized other." The attitude of the generalized other is the attitude of the whole community. Thus, for example, in the case of such a social group as a ball team, the team is the generalized other in so far as it enters-as an organized process or social activity into the experience of any one of the individual members of it.

Taking the attitude of the group or society means to be concerned (either consciously or not-consciously) about what others might think of what I might do or say, which he relates to a ‘form of social control’ (ibid: 115). For Mead, human societies are societies of selves; and selves

> can only exist in definite relationships to other selves. No hard-and-fast line can be drawn between our own selves and the selves of others, since our own selves exist and enter as such into our experience only in so far as the selves of others exist and enter as such into our experience also (ibid: 75).

As individuals we organize our responses by the tendencies on the part of others to respond to our acts. As selves we exist in taking the role of others. Self-consciousness, according to Mead, is thus a social process due to the capacity humans have as subjects to take themselves as an object. This is a social process because ‘the subject, I, can only ever be an object to itself as me and the me, is one’s perception of the attitude of society’ toward oneself (ibid: 80). For Mead, the ‘I’ is the imaginative response of the socially formed individual to the ‘me’ as the gesture of society to oneself. In such a dialectic ‘the `I` reacts to the self which arises through the taking of the attitudes of others. Through taking those attitudes we have introduced the `me` and we react to it as an `I` ‘(ibid: 80).

‘I’ and ‘me’ are therefore inseparable phases of the same action, so that selves are socially formed while at the same time interacting selves are forming the social. Communication between people, then, is not just to send a signal, to be received by another, but rather through complex responsive social processes of self-formation in which meaning, themes and patterns of interactions emerge. For Mead, mind 'is simply the interplay of gestures in the form of significant symbols' and since the meaning of each gesture is in its relationship to the response, the attitude of the other 'mind is nothing but the importation of this external process into the conduct of the individual so as to meet the problems that arise' (ibid: 86). Reading this resonated in my experience in that as well as my normal public conversations with others, sometimes I can't stop all the private role plays and silent conversations both with myself and with others whizzing round in my mind, especially when feeling stressed. I presume this applies to others too and why we can only guess how our interactions with each other might unfold.

An important aspect in Mead's explorations of human interaction relates to our capacity for generalizing, for taking the attitude of the generalized other where consciousness is the 'me' phase of the 'I-me' dialectic where 'me' is the generalized attitude of the society to the 'I'. He differentiates self-consciousness as 'an awakening in ourselves of the group of attitudes which we are arousing in others, especially when it is an important set of responses which go to make up the members of the community'(ibid: 74).

In reading the above an important point arising for me is that the 'generalized other' is not a single given but rather how I am influenced in this context by my interpretation of society's views. Also the 'me' is both the generalized and the particularized simultaneously.

Processes of generalization and particularization

Mead elaborates on the generalized other concept as in the context of social acts in which people relate to each other and may negotiate, agree, or disagree as they generally go about accomplishing everyday tasks. Ordinarily, in order to accomplish our tasks, objectives or whatever activities we might be involved in, it is not enough for those involved to be able to take only the attitude of the immediate people they may be directly involved with at a particular time. The attitudes of the others 'which the participant assumes, organize into a sort of unit, and it is that organization which controls the response of the individual' (ibid: 71). Our acts by and large are determined by our assumptions of the action of the others which means that our actions are influenced by considering

> ourselves as being everyone else at least in so far as those attitudes affect our particular responses. We get then an 'other' which is an organization of the attitudes of those involved in the same process (ibid).

It would however, be impossible to do this in relation to each individual, Mead points out, if it were not for our evolved capacity to generalize the attitudes of many. In acting in each situation, each of us is then taking up the attitude of a few specific others and at the same time the attitude of this generalized other, the attitude of the group, the organization or the society. Mead explains that these wider, generalized attitudes are evolving historically and are always implicated in our interactions. In developing an understanding of organizations as complex responsive processes, Stacey et al (2008: 18) draw in Mead's explorations of

> mental and social activities as paradoxical processes of generalizing and particularizing at the same time. Individuals act in relation to that which is common to all of them (generalizing) but responded to somewhat differently by each of them in each present time period (particularizing).

An example of such 'generalizing-particularizing formulations' (ibid) is Mead's explanation of self consciousness referred to above. In understanding self consciousness, Mead talked about individuals taking the attitude of the group to themselves, where that attitude is the 'me'. An important point drawn upon in the complex response processes theory is not just in how the 'self' arises in the attitude, the tendency to act, of specific others toward oneself, but rather the social, generalizing process where the 'me' is a generalization across a whole society in any particular era. An example that Stacey et al (ibid) draw upon in this context, is how people in West think of themselves 'as individuals in a completely different way to people in the West did 400 years ago and a different way to people in other cultures'.

In the 'I-me' dialectic, then, there is a process in which the generalization of the 'me' is made particular in the response of the 'I' for a particular person at a particular time in a particular place. For example, having moved to the UK from Iran when I was a teenager, I now take up what it means to be a man, a husband, a father or an employee in the UK in particular ways that might differ in some respects to how others might see themselves as men both in the UK, in other societies and at other times. This example resonates as true, in my experience also as an individual born in Iran, where many of my high-school classmates and neighbours in Tehran considered disobeying the clergy a grave and punishable sin. Similarly as I have learnt during my travels (2002-2011) around the Middle East, for women, driving a car, leaving the house, applying for a passport, or to attend a university for education, still requires the husband's permission. In this sense men and women as individuals have different rights in different societies.

Living Present

According to Griffin (2002: 170) a key aspect of the complex responsive processes theory is that all communicative interactions including the ‘turn-taking/turn-making, gesture-response’ structure of our conversations, take place in specific local situations in the living present. In the more traditional ways of thinking, the past is factually given because it has already happened, and the future is ahead waiting to be unfolded. However, Griffin argues that ‘the past is not factually given because it is reconstructed’ as what we remember, in the present as the basis of the action to be taken in the present. The future is also in the present in the form of anticipation and expectation and also forms the basis of action in the present. So what we are expecting affects what we remember, and what we remember affects what we expect all in the present as the basis of our acting. In this way, the movement of the living present is experience, having a circular time structure called the living present (ibid: 207).

Ethics

From a complex responsive processes perspective, there are no ethical universals (Griffin, 2002: 25) thought of as ‘fixed realities’ against which conduct is to be judged, apart from and before action with meaning known in advance. Meanings emerge in social acts consisting as gesture and response to it where the gesture can never be separated from the response.

There is therefore no simple possibility of knowing how to judge the outcome of any action before acting, since the future is being constructed in our local interactions in the living present. Locating ethics in the intention as in, for example, combining organizations being an improvement option, apart from or before the responses to these gestures, is to assume that the likely outcome of the response by all involved could be known before the action is taken.
Any judgment is found ‘in the experience itself as new points of view that emerge in the conflictual interaction in which the future is perpetually being created’ (ibid: 216). In the theory/method of complex responsive processes ethics is understood as the ongoing negotiation influenced by our values and social norms as we participate in local interaction. This theory invites focusing attention in the living present on our ordinary everyday interactions in the local situations we find ourselves in. It is in these interactions that ethical themes of our interactions emerge and it is also therefore in this interaction that we together make sense of our interaction including good, right, appropriate or otherwise as in wrong, evil or inappropriate.

Our communicative interaction and power relating (see next section) can also be understood in terms of themes. Themes can take propositional and narrative forms, ‘emerging and re-emerging, in the iteration, in each succeeding present' (Stacey et al, 2008:14). Values, norms and ideologies, are examples of such themes and provide familiarity to our experience of being together. Here patterns are the largely narrative themes that are the individual and social phenomena at the same time. The dominant themes that I refer to in my narratives of experience of M&As also include identity, anxiety, a sense of loss and the continuously changing views of the practitioners, the media and the mainstream literature.

Relations of power

Earlier in this chapter I referred to my growing dissatisfaction with the separation of businesses and individuals where CEO or top executives were referred to as 'superstars' or 'super managers' (Baranchuk et al., 2007). My dissatisfaction grew when despite viewing them as powerful 'agents' (ibid) in our M&As matters often got worse even for our top executives. A complex responsive processes perspective highlights how power is an aspect of human relating emerging in vast numbers of local communicative interactions.

In chapter three I will be exploring in more detail power relations and the ideological basis of human choice, linking them to the changing dynamics of patterns of inclusion and exclusion through reorganizations that often followed our M&As. Those dynamics also influenced our identities, which were formally reflected in who was appointed to which position or was made redundant.

In exploring power, I no longer view power as possessed by those at the 'top' who used it to initiate M&As and the reorganizations, forcing us to merge operations, products or generally do what I would not otherwise voluntarily have done. In my old perception power was reified as the possession of our CEOs and the high ranks, with colleagues and I lower down the ranks possessing less power or sometimes none at all. In my previous understanding, I also felt the use of power by my seniors through our M&As to be unethical especially because I saw it as manipulation. I saw subcontracting R&D activities to reduce our head count and hence make the business turnover appear higher per employee as one such manipulation. I saw setting up of integrations teams where each team was 'empowered' to decide who was to be assigned to which role and who was therefore not needed in the merged organization as another such manipulation. Indeed, I often avoided participating in such meetings as I saw such use of power as 'politicking' and tried to busy myself with other matters e.g. product reports.

In the M&As literature, power is explored in pre and post merger periods and features amongst the factors to be taken into consideration almost as a to-do list of what to do before a bid, during the bid and afterwards in integration activities. And yet despite following these recommendations and to-do-lists, and despite the authority and backing by our top executives, matters still emerged in unexpected ways.

In this thesis I am rethinking my understanding of the dominant discourse on power and the explanations I had habitually used to make about power in M&As. In reading the works of Stacey et al, including how they draw on Elias, I now find it more helpful to understand power issues including politics of everyday life always emerging in relating to others as an aspect of our local interactions. Elias asserts that power is neither a 'thing' that anyone can hold, carry around nor give to, or take away from, others. This understanding of power is related to how we all are interdependent rather than autonomous individuals. Elias held that as individuals we are dependant, in many fundamental ways on others in our societies describing 'societies as interdependent individuals'(Elias, 1991:11). Not only as new born babies, but also as grown-ups, we can't accomplish much without each other, including cooperation or competing with one another.

All our M&As were necessarily collective efforts. And so it was that to continue and change our telecom test and measurement businesses we needed each other to design, purchase raw material, make, market, sell or produce the accounts. In these collective efforts and not just at work, similarly in all other walks of our personal lives too, we similarly need and depend on each other for love, support, feedback, development and generally getting things done.

It then follows that interdependence is a reality, not an ideological stance about interdependence being good or bad. In M&As outcomes emerged through and were related to our interdependence including those that I might describe as success or failure, disappointing or exciting. My ideology accordingly arises in my judgment of what I might describe as good or bad, not just in my experience of M&As but throughout my life. Interdependence was how I experienced what I describe as support or being let down, the good and the bad and how my particular judgments get reflected in my narratives of M&As. If we are interdependent in such ways it follows that I need others and it is this need that explains why power has been a dominant theme of my experience of change and continuity through M&As.

Mergers or not, to do my job and in sustaining my sense of self too, I need others. I cannot do whatever I please; and since others need me, neither can they (even if they are my bosses). In complex responsive processes terms we constrain each other at the same time that we also enable each other, and it was this paradoxical interdependence that constituted what I was experiencing as power.

However, since needs are hardly the same, the patterns of our power relations are always tilted more to one than to another. Therefore, if I needed my boss in a certain reorganization, more than he needed me, then the power was tilted toward him. However, if as we relate to each other, we discover that now you need me more than I need you, then the pattern of power relations moves and is tilted toward me.

This was how I was experiencing power as a dance, or flowing patterns of my perceived needs and was expressing it as 'figurations of relationships' (Elias, 1991:60). These figurations influenced our reorganizations in which some stayed included and others were excluded, and it was in being included in this or that group as well as being made redundant we were co-creating our identities.

I was, at the beginning my career, employed as one of the fibre optics measurements engineers and never invited to management meetings discussing M&As. When changes were announced and people and operations moved around, in ways that I did not like, I felt done to. But our collective 'we' identity was inseparable from my individual 'I' identity as one of the engineers so my individual identity was fundamentally social, which I perceive as a matter of power relations – executives versus the workers which I saw myself as one. Later on in my life when I was invited to M&A meetings my sense of identity and power began to shift as I will explore in the next chapters.

However, what remains true in my experience is that as an individual I need others and that relative need has never been exact or equal, meaning that I have experienced power, always an aspect of my experience of M&As which I would describe in my narratives in terms of patterns of inclusion and exclusion that influenced the emergence of my identity. It was through working with others that power relating in our ordinary everyday life was emerging as ideology, feelings and judgments about how I described change and continuity as good or right, or wrong and bad about power issues in M&As.

At the same time, my ideological judgments continue to shape my perceptions and how I was and I am making sense of power issues. Figurations of power relating had come to have a kind of semi permanence prior to M&As expressed in the structure of our departments and operations. It is a fuller exploration of these phenomena that I will turn to in chapters three and four.

Implications of complex responsive processes for methodology

In chapter one I drew attention to aspects of my dissatisfaction with the current dominant discourse about M&As when compared to my reality of living through them. This included how the dominant discourse explicitly and implicitly separates individuals and businesses. It also correlates change through combining businesses to growth and improvement. The mainstream literature also includes statistical approaches and classifications in exploring M&As with what is by and large an organizational scale perspective for researching them, effectively overlooking individuals' experience that were becoming a significant contributor in my dissatisfaction. Furthermore, at all M&A meetings, there were representatives who offered professional services including estimates of increased turnover and profits. There were implicit assumptions about the changes i.e. merging businesses would lead to certain benefits. Closely related to these assumptions were my perceptions of senior management in control as reflected in a taken for-granted view of the roles of corporate executives as being at the helm of businesses. However, despite these perceptions that had been emerging, at the same time it was becoming clearer that there were also contradictions between these perceptions and the reality of living through M&As. Despite the involvement of corporate executives, consultants, HR professionals as well as the technical colleagues and me, following carefully derived procedures to combine products and operations, matters often emerged unexpectedly. There were many changes, not all as envisaged or what could be described as benefits.

In part one of this chapter I presented my understanding of the complex responsive processes theory and how I feel it better resonated with a wider range of my experience of organizational life through M&As. Stacey et al advocate a more paradoxical way of thinking about organizations in terms of the

> simultaneous activities of abstracting from and immersing in the experience of local interaction in organizations which is understood to produce emergent patterns across populations in organizations and societies (Stacey, 2010:205).

Drawing from such a way of thinking in the context of M&As to me means that we were contributing to the patterning themes that were influencing the organization and which were continuously affecting how we were locally interacting with each other. Local interaction thus becomes central to the exploration and understanding of my experience of M&As. In this context local interaction takes the form of ongoing, ordinary conversation between colleagues and me where how I had been relating to others prior to the merger was influencing our post-merger interactions in each living present. Conversely, my post-merger interactions were influencing how I had been making sense of my pre-merger interactions. In this sense pre and post were involved in each other as opposed to being apart. It was in these conversations that particular patterns of power relations emerged (chapter three) e.g. old and new department heads, professional advisors, managers and co-workers and new roles and responsibilities. These patterns of power relations also took the form of figurations of inclusion and exclusion (e.g. who would stay on, in which role or who would be made redundant) changes affecting how we saw ourselves and others, our identities (chapter four).

The implications of such a way of thinking include the refocusing of my research attention which I will discuss in the next section on methodology.

2.3 Part Two: Methodology

The suffix 'logy' in *methodology*, derives from the Greek word λογία (-logía) 'which means knowledge, information, theory or account' of (Johnson and Duberley, 2000:2). However, following Mead (1934) 'meaning' does not lie in the gesture, the word alone (written symbols or spoken as a vocal gesture) but emerges in communicative interaction, taken together with responses to it. In my experience, especially at management meetings, method and methodology were often used interchangeably. In a research context however, I understand methodology as a study of methods including comparisons and critique of different methods in a research programme. The key questions that need be addressed for any research method include issues to do with ideology, ethics and validity (Stacey, 2010:223). First, I will address the ideology of the complex responsive processes research method which includes the use of narratives of personal experience of interaction with others which in itself raises ethical questions. Contribution to knowledge is a major issue in any research which relates to the generalisability of conclusions, findings and how they are applicable to wider contexts than my own. Validity refers to how I justify this as some kind of claim to truth which will also be discussed in this section.

Understanding organizations as complex responsive processes of relating however, has major:

> implications for appropriate methods of research. The emphasis on participation in local interactions raises fundamental questions about objectivity in social research and focuses our attention much more clearly on the subjective nature of experience in organizations'(Stacey, 2010:221).

Furthermore, since global patterns emerge 'in local interaction in the absence of any plan or blueprint for these global patterns' (ibid:226), organizational research is best undertaken from within the local interactions in which global tendencies to act are taken up. It follows that the research insights arise in the researchers' reflections on their own experience of interaction with others. The appropriate method of research then becomes making sense of one's own experience which Stacey (ibid) describes as taking one's own experience seriously i.e. to reflexively explore the complex responsive processes of human relating. Here experience refers to the researchers' experience of local interaction. Processes are to be understood as 'temporal processes' (Stacey and Griffin, 2008:6) in which people are interacting together that create further patterns of interaction. Researchers explore patterns of interaction which yield nothing other than further patterns of interaction rather than creating meanings or knowledge as some*thing* outside of interaction which must then be explored. Instead, the patterning of interaction is continuously emerging in the patterning of interaction and this patterning is itself meaning with nothing outside it to reify (Stacey and Griffin, 2005).

In the traditional qualitative research however, many (Cunliffe, 2010; Haynes, 2012; Symon and Cassell, 2012) present a processual understanding of what researchers are supposed to do. They reify the process. This is because they include time in some directional way as moving forward during the research process. This is similar to the notion of process in systems thinking where the parts interact with each other over time. These parts might be individuals interacting with each other creating some whole or entity outside of their interactions which it then becomes possible to reify, that is, treat as a thing that actually exists independently of the parts e.g. newly *discovered* knowledge (see later).

However, in my research, the method is to reflect on my experience of change and continuity through M&As. 'Experience is felt, meaningful engagement in relating to others and to' myself as I explore my experience (Stacey, 2010:221). It also refers to people's interdependence in working, living and generally relating to each other.

2.3.1 Why narrative

Since relating to each other 'is patterned primarily as narrative themes' (ibid), Stacey describes taking one's experience seriously, as articulating and reflexively exploring these themes. He talks about 'the narrative-like' structure of conversation, with its stories to illustrate and emphasise the general thrust of what we are trying to say, the interruptions, diversions, openness to explanation, description, tentative theorising or dogmatic claiming; also its openness to others joining in (Stacey, 2010:149). Now all this is about talking and thinking in local interactions. But research also involves writing about reflecting on our experience. If we relate to ourselves and others in a narrative-like interaction, how else are we to explore our experience with others, except in a similar mode that will allow drawing on the complexities of our interaction? In the next section, I discuss the implications of exploring our narrative of interactions as a research method in relation to ethics.

Ethics in narrative research

Research from this perspective is an activity inseparable from practice, because the reflective practitioner is, at the same time, 'inevitably also a researcher in that both are engaged in reflecting upon their own experience' (Stacey, 2010:227). It follows that (ibid):

> research is closely linked to the iteration and possible transformation of identity. This is because identity is the answer to the questions: Who am? Who are we? What am I doing? What are we doing? What is going on? How do we now go on together? Effective research is potentially transformative of identity and is therefore bound to expose vulnerability and raise existential anxiety with all the emotion this brings with it.

In this sense my 'self' emerges through my interactions with others, as individuals and social are simultaneously forming and being formed by each other. My experience of M&As therefore, is also a reflection of conversations that the people involved were having as I was participating in these conversations and activities as they were happening. Therefore my experience also reflects the wider context of M&As. It is in this context that the appropriate methodology for researching change and continuity through M&As becomes that of exploring experience of interaction with others and the way in which this is patterning my experience.

My thesis therefore includes various reflexive narratives and analysis intertwined. This is because I do not view 'narrative' as a separate thing or data to be analyzed. I have sought to present a logical sequence for exploring each emergent theme to structure the thesis. Nonetheless, within this structure I have also tried to present the somewhat disorderly way that things happen in reality and how various themes emerge unexpectedly. This is also a reflection of the 'narrative-like' sequence (Stacey, 2010:152) way we actually make sense of our experience. I have often revised my narratives to make them more explicit but each revision is, at the same time, a record of the evolution of my sensemaking process through this research. This is how over time, the quality of my reflection, awareness and insights has arguably developed.

There is however, another reason for frequent revisions because writing about what actually goes on inevitably raises ethical questions such as what I can sensibly include without disclosing commercial, as well as confidential information that could potentially cause harm or offence. In the first draft of writing up my narratives I wrote freely to capture as much information, including personal feelings about what I believed was happening. I wrote down the actual names of people and companies. I also wrote frankly about the rather less formally acknowledged aspects of M&As such as my sense of loss, grief, blame or confusion. Later on, I changed the names of people and companies, deleting or modifying the words to make the narrative more explicit. I tried to do this without losing the points I wanted to make and/or what I considered to be publically acceptable but to stay as close as possible to my lived experience.

However, in re-reading my *commercially* and *ethically complaint* narratives, they often seemed abstract and rather flat. So just changing names and certain phrases, even though I am the author, changed the way I, as a reader, re-engaged with the same narratives. So I revised the narratives again in order to re-sharpen both the narratives, my reflections and points I was trying to make. In this context particularizing what I understand as ethics in research was constraining but at the same time it enabled me to *legitimately* include more of what it is like actually like to live through M&As. In later sections, I discuss further I was at the same time reacting to the emerging social objects. However I feel it is necessary to mention how the complexity of particularizing ethics in narrative research also relates to making a judgment about writing too much, too little or even deleting complete paragraphs whilst aiming to preserve my integrity and identity as a practicing telecom manager and research student at the same time. Not just in writing research narratives, but also in my familiar day-to-day non-merger organizational life I continually have to choose how to respond whilst not knowing how others might react. However M&As reduce the sense of familiarity, which is probably why, they often stirred up new uncertainties and anxieties. There are further requirements for *research* narratives which I will turn to in the next section.

Further requirements of research narratives

Stacey and Griffin (2005:23) emphasize that it is the explicitly reflexive nature of the narrative that distinguishes it as a research method from the literary story. Haynes (2012:72) describes reflexivity:

> as an awareness of the researcher's role in the practice of research and the way this is influenced by the object of the research, enabling the researcher to acknowledge the way in which he or she affects both the research processes and outcomes.

So my reflexive narratives are explicit rather than a story-like construction with a beginning, a middle and an end. I reflect on my experience of change and continuity of living through the upheavals of M&As but not as if it is a thing, where each part of *it* has to be captured in a narrative with a definite meaning that my reflections would reveal. In this sense there is a major difference between reflection and reflexivity in research.

For Hibbert et al. (2010) reflection is to examine what we are doing whereas reflexivity involves thinking about our experiences and questioning the way we do our research. Alvesson and Skoldberg (2009) criticizing the 'naive view of language in most qualitative research' discuss interpretation and reflection as key elements of reflexive research. They point out that researchers interpretations are not simple analysis of facts or data, that reflect 'reality' but rather they are influenced by the assumptions, values, political positions and understanding of researchers (ibid:297). Reflexivity in research is a form of 'interpretation of the interpretation' (ibid:9) when researchers turn their attention back onto themselves, their research communities and the cultural traditions informing their thinking. My narratives would therefore be reflexive in both a social sense and an individual sense. For the latter, reflexivity involves explaining why a narrative has the distinct focus it has. For example it could be my sense of loss or being overlooked in a reorganization. I also explain how my own past experience might be influencing this sense and interpretations including the assumptions my interpretation relate to and the ideology they reflect to explicate the particular conclusions I am proposing. Social reflexivity in research (Stacey, 2010:222) therefore:

> requires the narrator to explicitly locate his or her way of thinking about the story being told in the traditions of thought of his or her society, differentiating between these traditions in a critically aware manner.

So in reflexive narrative inquiry as research method (Stacey, 2012:111), I would rigorously engage with the literature when arguing for my interpretations as well as implications for claims to contribution to knowledge. Further details of this method will become more evident in comparing how this approach and other closely related mainstream approaches deal with key issues in research including the nature of knowledge, validity, ideology and ethics. I will do this in the next section using the context of my early experience of quantitative approaches which provides an appropriate context for the rest of the discussions.

Early experience of quantitative approaches

I first came across the notion of methodology during my final year electrical engineering degree which was on optimal positioning of wind turbine generators. The methodology section involved inclusion of major theories, comparative study of different approaches measurements including recording wind speed, direction etc. and critiques of other methods compared to the one I had chosen, namely the growth manner of nearby trees. Later in my professional life methodology was used in relation to product development plans and forecasting. Senior colleagues would gather regional sales forecasts and actual sales figures. They would then add them up, normalize them and come up with projections for production and inventories. Later I joined colleagues who provided corporate management with monthly sales forecasts and analysis and later in M&As, got involved in product integration planning. However, it was following invites to management meetings that I began noticing how what I had considered clear reports of facts and figures were still being interpreted.

My work environment was not like the university days of experiments to derive equations and models to estimate wind speed for generating electricity under this or that condition yet spreadsheet analysis were being used to estimate sales, plan manufacturing and shift rosters. The familiarity with spreadsheet analysis felt good but not the arguments that would emerge. Disagreements arose not only about staff shifts but also over production figures which surprised me as I had considered spreadsheets and mathematical calculations as inarguable facts. At the first few meetings I was particularly amazed how the meaning of a sales figure entry on a spreadsheet would change, even for me, depending on who I was presenting to, who was doing the interpretation or in which context. For example, sometimes changes in production levels meant longer shifts for some technicians and hence more money for some. We would then discuss which technicians might be suitable and asked HR to monitor shift supervisors choices including the mix of people per shift to avoid shop floor gossip including people who might accuse us of cronyism. I also began noticing how emotional I got, e.g. hurt, angry or frustrated if these interpretations related to my report in ways that I didn't like, had not intended or were just wrong.

Later on to safeguard against people misunderstanding me especially if some post-merger reorganization involved redundancies, I took to massaging my presentations just before each meeting by adding extra explanations about my figures. But I soon realized that people generally skipped over wordy remarks. My frustrations grew because of my inability to predict how figures, regardless of explanations, would still be interpreted by people. I felt even more irritated when there were new faces at meetings (e.g. external consultants) that I had never met and so I could not even predict how they might behave. Any reorganization to move or change business operations always became controversial and it was the same whether we were merging with another company, acquiring another firm or we were being acquired. Invariably, some people seemed more in favour of this or that action or change whilst others less so and some even against. People always had their own facts and figures and arguments to back their position.

I tended to romanticize my university days. Winds were complex, continuously varying in speeds, directions, durations or moisture all affecting how much electricity wind turbines would produce. I could still rely on the history of wind behaviour by sampling cross sections of tree trunks to see how spaced out or compact on each side the 'annual rings' had formed. However, quantitative analysis and people's behaviour never seemed to be predictable not only when working together normally, even more so through M&As. The complex responsive processes way of understanding organizations and the emphasis on participation in local interactions, is fundamentally important in research. Regardless of facts and figures, M&As involve people and their agreements, disagreement, goodwill or ill-will and this, regardless of figures and calculations, makes a difference to what happens. Not just people, but our interdependence is another fundamental social reality and since our communicative interactions are 'patterned primarily as narrative themes' taking one's experience seriously resonates with my experience for researching organizational life.

So what might be some of the themes of my narratives and experience and how and why reflecting on such themes matter in this research or can enhance our knowledge of change and continuity through M&As? A narrative might be about a meeting to discuss acquiring a supplier.

This is discussed in mainstream M&As literature as a vertical acquisition (Maddigan and Zaima, 1985; Rothaermel et al., 2006). Conversely, I might write about my own behaviour towards a Japanese or Danish director or how mindful I was that my invitation to an M&A meeting held in Dubai (where I had been posted as an expat manager), was a result of my Austrian boss's decision. Since my experience in such contexts is not exceptional or unique, I was interested to find out how others e.g. Banai and Reisel (1993) studied similar themes as expatriate managers' behaviour in multinational corporations. Another narrative might be about how mindful I was of being excluded from future meetings, and how I avoided overtly opposing my seniors. I tended to speak supportively of particular colleagues or bosses or only spoke when specifically asked i.e. I was careful in revealing and concealing my feelings and intentions. I might write how I kept to myself any reservations (Scott, 1999) I might have had about what I thought were pessimistic, optimistic or confident tonalities when people talked about the outcomes of an acquisition. Yet another narrative might be about the mix of nationalities and the impact on my sense of authority at a meeting. For example, how I considered that junior Japanese colleagues were too respectful of a divestiture decision by an absent CEO that others were openly criticizing. These themes of my experience are not unique. Mowles (2011:138) describes how:

> one of the central themes in organisations is the exercise of power, which occurs in the everyday politics of working together. We negotiate, we discuss, we are polite and impolite to each other, we reveal and conceal, we pull rank, we delegate, we take decisions alone and we ask others for their points of view.

Reflections on my narrative accounts of who said what, how I felt about this or that remark also reflect personal ideologies as my story of what I thought and felt that I and others were doing. In this sense, narrative reflexivity is different from reflection generally understood as an individual activity in which I would reflect upon what I am researching as objects of study. It is also different from introspection (Steup, 2005), often compared with perception, reason, memory, and testimony as a source of knowledge. Furthermore, as explained previously, reflexivity in a social context also necessitates exploring how my thinking is influenced by the literature and how this might be similar or different to the way I am making sense of my experience.

Stacey (2010:58) highlights that reflexive narratives about what we were doing and how we relate to each other, also relates to who I am and who I thought we were to each other, and so another emergent theme relates to the iteration and co-creation of individual and collective identities. At the same time and as much as consciously possible, I would make explicit, the assumptions and the ideology they reflect, in explicating the particular meaning I am proposing. These would relate to my conversations and thinking about literature classifications of M&As including takeovers as friendly or hostile (Cosh and Guest, 2001), divestitures described as divorce or mergers as marriages (Meeks, 1977; Cartwright and Cooper, 1993). In the same context, in writing up the conclusions and contributions of my research program, social reflexivity also requires that I explicitly locate my way of thinking about the themes and my reflection in all the closely related research literature, differentiating between different strands 'in a critically aware manner' (ibid). While, literary stories often leave various interpretations of events and meanings to the reader, in the reflexive narrative method of research, I would argue for my interpretations, assumptions and conclusions by differentiating my assertions from mainstream views by clearly explaining what is new about my assertions. As the narrator and researcher I would be continuously engaging with the literature relevant to each particular reflection and accounts of change and continuity through M&As including the ideological underpinnings and power relation implications of my accounts.

Validity in this context lies in the extent of my experience, and the recognition and the resonance experienced by others as they interact with my work. Further clarification of the complex responsive process research method can be obtained by comparing it with other closely related qualitative methods as presented in the next section.

2.3.2 Mainstream approaches to narrative research

However, the views I have described so far about my narrative research methods are not the same in mainstream qualitative research. For example in discussing categories of qualitative research, Symon and Cassell (2012:30), despite describing the difficulties 'to draw neat lines around particular approaches' and acknowledging that 'each contains within it a variety of alternative approaches and reality is always far messier' they still encourage researchers to choose from the various 'philosophical breaks' in 'different traditions underpinning qualitative research'. They advise researchers to identify 'the analytical lens through which [narrative] data are examined, in terms of epistemological and ontological assumptions, in engaging with their data'. By advocating to readers to identify and establish the epistemological and ontological stances of their research, they remain in the 'Kantian perspective'(Griffin, 2002), because such advice implies that reality is still out there, a statement of ontology, which means the central research question is how we know reality, a matter of epistemology. In offering this advice, Symon and Cassell (2012:15) cite

> within the management field (Johnson and Duberley, 2000; Johnson et aL, 2006; Kelemen and Rumens, 2008; Alvesson and Skbldberg, 2009; Gill and Johnson, 2010)

to assert that management researchers best go about their discoveries through their narratives as data, i.e. the problem is how we know it rather than the process. Guba and Lincoln (1989) and Tracey (2010) whilst rejecting the positivist criteria as inappropriate for the assessment of what they call Naturalistic Inquiry, propose as alternatives, lists and criteria so that qualitative research is not judged by quantitative defaults. For these authors too, organizational realities are 'out there' and qualitative research is the appropriate method of acquiring knowledge about them. So, the essential question is still not about processes and participation in local interaction, but continues to be about epistemology and ontology. In other words, how it is that we know about organizations through qualitative research and what is the ontological status of our narratives. In such efforts, Guba and Lincoln (1989) devised a 'Parallel Quality Criteria' table where they suggest replacing 'Positivist terms' to what they call 'Naturalistic terms'. For example, instead of *internal validity* researchers ought to use the word credibility, instead of *generalizability* to use *transferability*, *reliability* is to be replaced by *dependability* and *objectivity* with *confirmability*.

My criticism of Guba and Lincoln's table is their taken for granted assumption about the meaning of their recommended words, as if words have universally identical meanings for everyone, whereas following Mead (1934) meaning emerges in the contingent context of gesture together with the response to that gesture. It is the underlying narrative providing contexts for the words used rather than the words themselves that are significant in my research understanding. Suggestions to substitute individual words amount to abstract generalizations stated in a decontextualized and ahistorical manner. Since 1989 however, both separately and together, Lincoln and Guba have continued to review their table and choice of words. Others including Spencer et al (2003) have also come up with similar 'how-to' tables and selection of words to use in qualitative and narrative research. Their efforts to produce such how-to 'criteria for judging research quality' were funded by the UK government which indicates how people in all walks of life are influenced by and/or influence mainstream thinking.

It is appropriate to recap my understanding of some key notions of complex responsive process theory in the context of above discussions in order to clarify my criticism of other mainstream strands of research. These include narrative, reflexive, neo-empiricist, interpretivism, critical theory, social constructionism (including action research and ethnomethodology) and postmodernism. Each of these strands also has their own variations and although they cannot be conveniently separated, a brief discussion is useful for our comparison. However, these various strands take up similar issues as complex responsive processes theory but differently. These issues include notions about knowledge, quality, ethics, ideology, truth, validity, individuals, social, participation, power and emergence. Taking the view that 'thought moves in the engagement with difference'(Stacey et al., 2005:28), I will first explain these differences by how these notions are referred to in the above strands of methodology literature.

Initially, I will discuss some seemingly overlooked assumptions. For example in a revised list of eight key criteria for 'good' research, Lincoln (1995) focuses on fairness and ethics in qualitative research and compare their list to the original list by Guba and Lincoln (1989). Lincoln (1995) places much more emphasis on 'critical subjectivity' and 'mutuality between the researcher and the research participants'. Similarly Spencer et a1 (2003) produced a new check list of assessment criteria for judging qualitative research as a framework based on eighteen questions and a template for various sections of research, to judge characteristics of 'high quality' research.

For me such efforts amount to prescriptivism and holding on to universal notions as if they are talking about natural world experimentations and facts. Many of the questions suggested by Spencer et a1, to me, fall in the Kantian 'if-then' paradigm. Lists, templates or tables reflect the Kantian (modernist) notion of the autonomous researchers (Griffin, 2002), which is continued by those who build on such approaches to methodology. Such approaches would make sense if I think of knowledge as things that already exist out there rather than thinking in terms of patterns (Stacey, 2001:197) that are continually reproduced and potentially transformed. Only if I believed that knowledge creation, storage and transfer between individuals is possible then a carefully derived list or step-by-step approach would make sense. As Stacey (ibid:96) points out, for many mainstream thinkers

> knowledge is ultimately located in the mental models, the inner world, of individual minds, consisting of representations formed in the past experience and stored in memory. When a new stimulus is encountered, relevant models are retrieved from memory to process the data and generate knowledge.

But I have come to the view that knowledge emerges and evolves in a history of social interaction rather than by me or for that matter any lone researcher sifting narratives.

Moreover, my approach to methodology includes 'no dualism of individual and social - both are aspects of the same phenomenon, namely human interdependence' (Stacey et al., 2005:27). Instead of universal notions and following Mead's concepts of social object/cult values and Dewey's theory of imagination (imagined wholes) ethics, fairness, good or otherwise are all emergent and influenced by our judgments. In this context, unlike postmodernism, some opinions are more valid than others. The mainstream approaches to methodology reflect and reinforce the more traditional thinking about research which I will discuss below. However, it is necessary to review how the various similar strands of qualitative research have been emerging in their common philosophical critique of the positivist assumptions particularly in relation to the nature of human behaviour. Of course, I realize that these strands too have different variations within them and although I am not trying to re-label or re-categorize them, a recap is useful in following the distinctions that are important in my research.

2.3.3 A critique of mainstream approaches to narrative

As previously explained, the reason for this section is that many of the key issues of my narrative research approach have also been taken up in methodology discussions in other perspectives. These include postmodernism (Boje, 1994; Anderson, 1995), social constructionism (Searle, 1997; Deutch, 1998), Action Research (Reason and Bradbury, 2002) and its variants (Participatory Action Research/ Developmental Action Inquiry) and/or ethnomethodology (Lynch and Peyrot, 1992; Garfinkel, 2002). Although all these approaches argue against positivist scientific methods for researching organizations and human behaviour, they use similar words and in ways that are different to complex responsive processes. Their criticisms include the tendency in positivism to view human behaviour as deterministic responses to external stimuli wherein human behaviour is, intentionally or otherwise, minimized as a factor normally as part of a system. Human behaviour is explained deterministically (Duberley et al., 2012:15):

> as necessary responses to empirically observable, measurable, causal variables and antecedent conditions. The resultant approach, often called erklaren (see Outhwaite, 1975), usually investigates human behaviour through the use of Popper's (1959) hypothetico-deductive method.

I understand this as positivism being based on notions of linear causality of an ‘if-then’ logic. Stacey (2012:132) further highlight that even the newer:

> complexity sciences, as well as social constructionism and other sociological and philosophical writings, problematize notions of the 'empirical' and 'evidence'. The complexity sciences also problematize standard statistical analytical techniques such as regression.

People and businesses are not systemic, holistic, relational, experiential phenomena (ibid) as fixed realities to study through our narratives. For my research this implies that instead of formulating a hypothesis which I will then explore during my research, the complex responsive processes research method is a process through which I explore my experience of change and continuity through M&As as the themes of my narratives that emerge. So ‘instead of resulting in a retrospectively tidy write up, the complex responsive processes method is a research account that tracks its own actual development as further reflexivity’(Stacey, 2010:223). This is not the mainstream view about narrative research. For example, Lieblich and Josselson (1997:248) recommend ‘the narrative approach ... for uncovering, describing and interpreting the meaning of experience’. Here I find ‘uncovering’ and ‘the meaning’ problematic because it is as if I, as the researcher would be doing the ‘uncovering’ of ‘the meanings’ and meanings, seemingly pre-exist, waiting to discovered.

Similarly, for Clandinin and Connelly (2000:77-8) narratives of interviews, field notes, stories and conversations are the units of analysis of ‘life experience’. They described ‘narrative as both phenomena under study and method of study’ (ibid:4) which amounts to reification of narrative. For Bruner (1990) narrative is a ‘powerful tool’ to break out of the limitations imposed by computational models of mind to transfer, share and communicate knowledge and meaning. In this depiction I see Bruner reifying knowledge as if through exploring narratives as research tool, researchers uncover, define and transfer meaning and knowledge as things or fixed concepts, from one individual mind to another.

Similarly for Fry et al (2001:33) narrative explorations lead to relaying, storing and retrieving ‘shared knowledge’ in ‘knowledge-rich work environment’ (ibid:179). Here again I find the concept of knowledge as a thing to share or enrich the work environment as reification. So how should this matter and how is knowledge different in complex responsive processes? In my research approach the use of words is important in the debate in which knowledge is created. As previously mentioned, meaning is not to be found in words alone but in the narrative context in which they are used. This is how narrative becomes central to my methodology. Furthermore it is in accounting for and reflecting upon these narratives in discussions with colleagues, PhD peer groups and supervisors, among others, that my identity may shift (Stacey and Griffin, 2005:41). It is also in researchers’ narrative accounts that knowledge of themselves arise as they filter out what they each pay attention to. Moreover, we cannot separate out our narrative accounts from our social groupings. No two methodology research communities are the same nor does it follow that one is necessarily better than another. ‘Performative legitimacy is enabled in power relating and it is in wider power relating, argument, that some beliefs are justified while others are regarded as false’ (ibid,2005:41).

I don’t see different approaches to narrative as distinct categories or camps that as if, a scout researcher, I must, as advised by Symon and Cassell (2012) choose a tribe or camp. Moreover, I don’t see the theory of complex responsive processes as a bigger tribe or set encompassing different approaches even though certain notions are generalize-able and in this sense this perspective may seem somewhat modernist. But, this is not modernism in the sense of me in my research as an external observer rationally deriving rules and principles.

One such generalization is how all perspectives are influenced by power issues (Stacey and Griffin, 2005). However, since our understandings and history influence our experience of local interaction, our narratives of the same situation might not reflect similar themes equally or the sense we make of them such that our texts may be compared as data. Methodologically, it is far more useful for me to make sense of change and continuity through M&As by reflecting on this as a particular theme of complex responsive processes of relating of organizational life in my experience. I do not believe researchers are *operating* on narratives so that 'we cannot operate without adopting some epistemological and ontological position (Symon and Cassell, 2012:18).

Another generalization in my approach is how all narratives of experience relate to our identities that influence our accounts. My accounts could, for example, include what being a member of an organization might feel before and after a merger, my sense of loss or success and generally how I felt our ways of working together were changing or continuing. Another generalization is how always and everywhere, our local interactions would reflect our ideologies, values, norms and choices. However, not in a positivist sense as fixed realities because all these too are contingent, emerging and evolving just as my senses of being a members of pre and/or post-merged organization, in each living present, changes and evolves (Stacey and Griffin, 2005:15).

Such an approach to narrative, to reflection and generalizations however, are different to how, for example, Hatch (1996) advocated exploring 'organisations' by looking at the literary concept of a narrative position as central to 'the role of the researcher'. Hatch described the development of narrative methodology as an extension of literary theory arising from narrative theory. She argued that in this context researchers' approach is an extension of ethnography and psychoanalysis. I see this as reification, patchwork and separation. It also amounts to attributing some supremacy to the researcher's role and powers of deduction in using this or that lens. For me our narratives arise through and in the context of social processes of relating to others. Critiquing interpretations of Hatch about the role of the researcher, Deetz (1996) claimed that she was making a mistake by neatly classifying writing practices, but this critique again amounts to pursuing yet another alternative interpretation and does not acknowledge that our organizational experience, narratives and reflections are the subject and object of research as ongoing processes of local interaction. Such approaches wipe out the subjective/objective paradox that I want to hold on to – that we can be objective (we can become objects to ourselves as we think about what we are doing) – yet in doing so we are still ourselves and thus subjective.

However, Deetz (ibid) debated subject/object dualism and related it to the philosophical consequences of postmodernism. Assumptions in modernist philosophy include rationality, universal truths, application of scientific and empirical methods to problem solving (Engholm, 2001). What remains common and continues in the mainstream discourse about narrative research is that narrative exploration is a comparatively new instrument for creating and communicating meaning and uncovering new knowledge. In this context, Ferrier (1998) emphasised the contextual construction of meaning and the validity of multiple perspectives. Although he argued that reality is *multiperspectival* and truth is to be found in everyday life and social relations, knowledge is 'constructed' by people. For Ferrier life is a text and thinking is interpretations which are inseparable from our values; science and all other human activities are value-laden. For me, life is not a text and values are not things or fixed attributes. I see very little attention to the importance of process.

Similarly, Faber (1998) and Boje (1994) advocate narrative methodologies for exploring 'organisational learning' and cultural studies whilst Snowden (1999) argued that purposeful stories and narratives are powerful tools and a means to produce sustainable cultural values and change, and enable 'transfer of complex tacit knowledge'. Here I find categorizing knowledge to different types as reification and also organizations don't learn (Stacey, 2003c) or forget. People do. Still Somers (1994) discussed narratives' ability to 'reconfigure identity' whilst Czarniawska (1997) described 'how narrative constructs identity' which again amount to reifications of identity that researchers deterministically set out to construct and/or reveal. I am not making a case against reification - because it allows us to talk about concepts and is useful in discussions - as long as we remain aware that they are arising as themes patterning conversations. Yet most authors tend to move on to equating reified concepts to be knowledge, meaning or our identities by claiming that reflection can reveal them.

Furthermore, all such views of narrative research suffer from the 'me' hypothesis, 'me' approach and 'me' choice of methodology which is not just limited to Business and Management studies. Fetterman (2009) and Riessman (1993) for instance, point out that narrative approaches to research where researchers draw on texts and stories, are now widespread in many fields including sociology and anthropology. They describe how sociologists and anthropologists use ethnographic approaches to examine narratives in the form of life histories. Deriving from the Greek, Ethnos (folk/people) and grapho (to write) ethnography emerged as a qualitative research method for collecting empirical data (Ember and Ember, 2008; Fetterman, 2009). It was used for exploring the knowledge and the system of meanings in the lives of cultural groups through graphical representations and writing. Riessman (1993) argued for the use and study of narratives with respect to women's lives and health concerns, using her own life stories and those of American Indians and proposing a theoretical context for a methodological discussion for the use of narrative. She put forward (classifying and categorizing in a generic manner) three types of narrative analysis and outlines 'how to' conduct narrative analysis, through interviewing, telling, transcribing and analyzing as *the* method. For Riessman, narrative differs from ethnography and analysis of texts. In ethnographic research methodology (ibid), the first person accounts are generally viewed as realistic descriptions and as an alternative data format to empirical scientific descriptions. In this sense the objects of research are the description of events and not the use and selection of words in how stories are created or what types of ideologies they might reflect. So language in mainstream narrative discourse is a medium. It can reflect a specific singular or multiple meaning. Although in these narrative research methods, language cannot be free from interpretations it is predominantly viewed as constitutive of reality or a means for researchers to establish meanings and hence reveal knowledge as if it's buried in narratives.

Similarly, narrative text in other academic disciplines including organizational, sociology and psychology research remains among the main foci in various analyses e.g. hermeneutics (Seebohm, 2005), conversations (Ironside, 2005; Kovach, 2010) and discourse analysis (Paltridge, 2007; Wodak and Meyer, 2009). Researchers are encouraged to objectively explore the text of written work and examine language. These views, for me, collapse into re-presentations of the dominant discourse into new terminology, reifying narrative approach as a better research tool with little acknowledgement of the importance of process. Furthermore, to describe something as better reflects 'an inappropriate value judgement taken from systems thinking' (Griffin, 2002).

Although according to Bruner (1990), some authors acknowledge that narrative analysis differs from textual analysis and ethnography. The difference is the interpretive focus and the inevitable involvement and influence of human imagination and what he describes as 'events and actions in a putative real world occur concurrently with mental events in the consciousness of the protagonists' (ibid:51) interpreting things. Yet Bruner is still separating narratives into types and categories with researchers objectively in charge of their research. Although he mentioned people and their influence, process remains marginal to how our narratives, knowledge and meanings all emerge through local interaction and not necessarily in a neat manner of exploring narratives as a source. Madison (2005) similarly referring to the involvement of researchers as 'positionality' and describing this as 'Reflexive Ethnography' argues that 'critical ethnography incorporates reflexive inquiry into its methodology'(ibid:7). Others (Simon and Dippo, 1986) likewise argue that 'critical ethnography [must be] understood as a form of 'knowledge production' where deeper levels of knowledge are 'discoverable' if researchers 'position themselves as being intrinsically linked to those being studied and thus inseparable from their context (ibid:1). I am not comfortable with knowledge having different levels and that as a researcher I can, on my own, dig deep(er) into my narratives to extract new knowledge.

Having briefly referred to reflexivity, it is now appropriate to review some of the key strands of the mainstream discourse about reflexive research and compare these with 'reflexive narrative inquiry' (Stacey, 2012:133) approach. This is because yet again similar words and issues are taken up but without much attention to some assumptions and the differences they make to my research.

2.3.4 Reflexivity and narrative research

As above, I have reviewed various strands of narrative research including briefly reflexivity. In this section I compare specifically my understanding of 'reflexive narrative inquiry' to the closely related strands of mainstream discourse on reflexive research because these differences are of major importance in my approach. The differences include discussions about the 'criteria' for 'what constitutes good' research (Symon and Cassell, 2012:205). This book (ibid) includes works of many authors (e.g. Morgan, 1983; Denzin, 1988; Seale, 1999; Easterby-Smith et al., 2008) who disagree with 'identify[ing] characteristics' that define theoretical and empirical 'quality' research. However, in a chapter on Assessing Qualitative Research, Symon and Cassell (2012:205) describe the findings of their interviews with a 'panel of experts on qualitative management research'. Initially, I thought that their approach seemed too systematic. Reading about their reflections on this exercise, my reservations grew when the chapter described how their interview questions were 'designed to uncover the explicit and implicit criteria they [the forty five academics interviewees] adopted in assessing qualitative management research'. Symon and Cassell went on and (ibid:213):

> through a process of template analysis .. inductively generated a set of descriptors from the transcripts, which encapsulated all the criteria on which the sample seemed to base their judgements of quality.

I reserved judgement to see their further reflections but was disappointed to read (ibid):

> Looking across these detailed criteria, and in an iterative process among the research team, we then grouped these into second-order descriptors and into three main areas of concern for quality (see Table 12.4). We can see that in making their judgements researchers do not just focus on outputs, but also the process of achieving those outputs and the credibility of the final presentation. In discussing how they made their

> judgements, they suggested they relied more on their personal judgement than any existing standards. This could indicate that the research community does share certain beliefs about what constitutes good quality qualitative research, or it could instead indicate that the research participants have unknowingly been influenced by the lists already produced.

I have no problem over conversations with forty five or any number of academics, but as above and in that chapter, the authors reflect on their 'interviews' in generic and abstract ways using terms including questions *designed* to *uncover* and '*the' criteria*. My reservations increased when they sum up their 'findings' in 'table 12.4' because it seemed that, as 'investigators' searching for 'the criteria' for judging 'quality' in research they followed a process. That process includes parts that interacted with each other. The parts included the interview transcripts probably containing the knowledge, their panel of academics, and the interviewers. After these parts, during the exercise including the interviews, had interacted with each other over a time which moved forward, as its direction i.e. one interview after another, they returned to their offices. They then reviewed the transcripts to 'uncover the explicit and implicit criteria' as their research objective. Finally they published 'the results' i.e. some new knowledge derived through narrative research. This new knowledge was created in the process that led to the outcomes which presumably holds as some sort of new universal truth, outside of their interactions.
Similarly systemic are other approaches to reflexive narrative research that, in spatial terms including 'symmetrically' reflexive narratives describe how 'radically reflexive research embraces two root metaphors (Cunliffe, 2003:984). Their approach 'builds on ethnographic and phenomenological work' from which we can 'surface ambiguities' which 'lead to a *deeper* understanding' of organizations as subjects. Other concerns for me include *deeper* understanding. Deeper than what, and how do I measure this depth, or the symmetry or radical-ness of reflexivity? Similarly how much/many is enough to count as contribution to knowledge?

What I have described so far should make it possible to see that by-and-large tables, how-to procedures and setting out routines to be followed are common in the mainstream discourse on narrative research including the reflexive strand. However in the 'reflexive narrative inquiry' method (Stacey, 2012) instead of following a neat sequential procedure, my narratives of a situation would include similar features of situations in previous M&As as well as aspects that, in my experience, felt unique to that situation. My research process does not fit a rule-following composition of narratives that become my data to explore but rather the activity of pattern recognition in my experience of interactions with others through my narrative accounts. These accounts and reflections might relate to reorganizations, redundancy discussions and transfer of operations or product integration programs. My reflections would include how colleagues, consultants and I, in working together, were relating to each other so the patterns that I articulate are the themes emerging in my experience about our conversations, power issues that emerged and ideologically related choices that I thought were being made. The themes of my narratives, would therefore be, the themes in my experience that, in each particular situation were emerging and forming in our interactions while at the same time those themes were patterning our conversations (ibid).

Reflexivity in my research approach, therefore, relates to my ability as a researcher, to recognize and argue for the sense I am making of the emerging themes of my local interaction with others and focusing on my experience. Specifically, reflexivity in my narratives means that my writings would indicate a greater ability to notice different aspects of local interaction than others might ordinarily do in similar situations about their experience. Furthermore, over the course of my research program, my PhD supervisors, peers or colleagues might comment that I am becoming more skilled in reflexively exploring my experience of M&As. This might be in the context of some conversations about what I believed might have been going on or how, at times, I paradoxically felt certain and uncertain about what was happening.

My reflections would include why I thought this or that way including the sense of paradox and simultaneous existence of certainty-uncertainty and how this was influencing the way I was making sense of my experience but to write it all up in as a coherent manner as possible. A key point therefore is that any actual accounts would necessarily include emergent, sometimes messy, ambiguous and paradoxical situations that I might find myself in as a reality of the nature of my experience of M&As. A criticism of the narrative approaches recommended by Cunliffe (2003) or Kolb and Kolb (2005) is that truly reflexive accounts of such realities of (at times) confusion, messiness and paradox emerging and evolving in my experience don't fit or follow rules and sequential procedures. In this context Stacey (2012:111) describes reflexive narrative inquiry as a 'self-discipline' of not looking for universal truths, meanings and definitions or resorting to 'bullet points and turning instead to narratives that provoke further reflection'. Accordingly reflective narrative research (ibid):

> is the intellectual and emotional exercise of the mind to reason, give careful consideration to something, make inferences by reflecting on one's own experience in order to develop some new understanding.

This new approach contrasts mainstream views that describe reflexivity as 'crisis of truth' and unsettling of 'representations' (Cunliffe, 2003:983) leading to 'crisis of representation' (Clifford and Marcus, 1986) wherein ontology and epistemology remain separate issues and separate from

us. M&As are a particular theme of my organizational life, our complex responsive processes of relating. My experience of M&As is not external to me and the others with whom I work or discuss M&As. Therefore how I come to know and theorize about M&As is not separate from me and that narratives hold 'the' truth.
To address the 'crises of truth and representation' Cunliffe (2003:990-1) suggested 'construction of radically reflexive' narratives, a seven step approach which she claimed would have 'a more critical and ethical basis for constructing meaning [and] identities ... if we want to construct useful organizational knowledge'. While she described herself as a proponent of reflexivity, talking about steps to 'construct knowledge' amounts to reifying knowledge as something out there. Moreover, to generically describe an approach as 'more ethical', to me smacks of unreflexive functionalism of mainstream discourse about reflexivity in researching organizations.

Critics of reflexivity

Overt critics on the other hand, assert that reflexivity has little to offer research. For Latour (1988:161) social sciences are interesting and their research 'is no different in form and purpose from that of all the others'. He argues that questioning what is real, what is knowledge and who (or what) self is, amount to politically motivated subjectivism (Searle, 1993). For others it is to saw the branch upon which social scientists sit (Woolgar, 1982, 1983; Hollis and Lukes, 1982; Ashmore, 1985; Lawson, 1985). In linking all explanations to social behaviour, natural scientists, argued Latour (1988:166) 'make it impossible for their own explanations to be seriously believed by anyone' which I understand as saying reflexivity makes it impossible to have universally meaningful outcome for our research. Following Mead (1934) however, this is exactly the point, i.e. each meaning emerges in the contingent context of gesture together with the response to that gesture. Reflexive narrative research is not 'about empowering people ... or about restoring meaning to life' (Stacey, 2010:226).

Power, meaning and knowledge are not things that reflexivity uncovers better, nor do I in relation to my research start off with holistic ideologies like certain takeovers as predatory, friendly or hostile (Cosh and Guest, 2001; Schneper and Guillén, 2004) or take, as given, values including friendliness or hostility in M&As (Schwert, 2000). In such holistic paradigms, ethics take the form of thought before action (Griffin, 2002: 25). In reflexive narrative inquiry approach human interaction with its paradoxical cooperation and competition/conflict, difference and sameness is essential. No meaning can be taken on its own as a given or universal because agreements or disagreements about meanings arise only in contingent processes of gesture and response in local situations. The same is true of ideologies, and the power relations they sustain or change, as they emerge through our local interactions. Ethics is (Stacey, 2010:226):

> then ongoing negotiation as participative interaction. Truth is 'truth for us'. Value orientations are unavoidable in the explanatory frameworks of the social sciences and such value orientations guide scientific inquiry while the inquiry acts back on the value orientations.

Mainstream M&As research literature is, however, awash with detached and outsider-objective views of companies as whole entities where researchers (Tichy, 2001:347):

> collect the most important results of 80 empirical merger studies.. condense these results to 18 stylized facts' and 'extract' ten lessons.

With a similar tonality, Bild et al (2002) using a 'residual income methodology' on a sample of 386 takeovers state that 'acquisitions destroy roughly 30 percent of the acquirer's pre-acquisition value'. More recently, Shi et al (2012) continue this systemic approach. In their research based on 144 most recently published papers which they describe as 'representing the state of the art and accumulated knowledge' they tabulate a new prescription in the form of six critical hurdles to be addressed for success in M&As. Drawing on complex responsive processes theory, I understand neither the pre nor the post-merger organizations as wholes and separate entities that 'with extra attention' their sum would be greater than the parts (Pike and Neale, 1998:637).

Lynch (2000:47) sceptically argues that simultaneity in reflexive research 'may, in some cases, be interesting, insightful and cleverly written, or may come across as tedious, pretentious and unrevealing'. He concludes:

> reflexivity offers no guarantee of insight or revelation and 'implies no antonym, confers no definite methodological advantage, and elevates no particular theory of knowledge, cultural location, or political standpoint above any other?

To me such thinking similarly amounts to reification of knowledge, culture and meaning all existing out there. To address criticisms of Lynch (2000) and 'the paradoxes of reflexivity' Cunliffe (2003) agsn advocates 'radically reflexive research'. But I don't identify with her descriptions of narrative as:

> fragments' or look for 'the intertextual space where plurality of characters, words, voices and fragments of ideologies or representations' (ibid:994)

To me it is not 'how these fragments come together at a particular moment in time and subject space' that meanings surface although Cunliffe admitted that 'this involves both constructionist and deconstructionist' approaches. To me talking about 'fragments' amounts to them being 'parts' and she then explains how these parts 'connect' together in 'time and subject space' to produce meanings as the 'outcome' of the research process. As I see it such 'radically reflexive research' approach amounts to another effort to fit reflexivity into systems thinking. In mainstream approaches, researchers and their narratives of interacting with others create a system and reflexivity feeds back on the working of these inter-related parts that the 'radically reflexive' researchers ought to 'operate' on to create new meaning. Contrastingly, in my approach the patterning of our local interactions including how joint organizations emerge would be continually emerging in the patterning of these interactions and this patterning is itself meaning and nothing outside it that I as a researcher could deduce on my own as if 'meaning' is fixed in time.

Other proponents of reflexivity

Many (Barrett, 2007) describe a more comprehensive approach by linking 'the major theoretical roots of reflection in John Dewey, Jürgen Habermas, David Kolb, and Donald Schön' citing Dewey stating "we do not learn from experience…we learn from reflecting on experience' (ibid:1). Similarly Kolb (2005) offered experiential learning styles inventory and 'reflective cycle' that involves having an experience and then reflecting on our experience i.e. to abstract and make sense of our experience, which would lead to conclusions as to what happened. The next step in Kolb's cycle would be to consider what action to take in similar situations in the future, followed by testing our learning or conclusions before moving on to the next experience. But just as Kublers Ross's five stages of grieving as another example of cycles and steps in reflecting, for me Kolb's idea moving in phases one after another does not 'fit' into my reality. For me often a number of processes occur at the same. Though I can relate to Cunliffe's or Kolb's description of phases but their cycles and stages are not neatly distinct for me because my thinking goes to and fro and I might jump or at times completely miss out steps of 'the cycle' or direction altogether.

Similarly, Ashmore (1989:111) argues that 'really' reflexive research 'uncovers' fictionalizing accounts and 'desire for certainty straightforwardness and clarity' and surface 'fear of paradox and the loss of control'. To describe reflexive narratives as being able to uncover, I see Ashmore objectifying our subjective experience. He is reifying meaning of desire and fear. It seems that for him there is a clear universal definition and understanding of paradox. The same is true in his use of other terminologies including clarity and straightforwardness. In another approach to reflexivity, others {Latour, 1988 #860; Chia, 1996a #877; Chia, 1996b #878} talk about what they describe as 'meta-reflexivity' which they ascribe to approaches like that of Ashmore as a sterile distraction. Latour (1988:170) emphasises originality and talks of 'infra-reflexivity'.

Burgess (2006:1) in the context of ‘reflexive self-inquiry ... using a first-person action research framework’ argues that reflexivity leads to ‘integrating paradigms, reconciling multiple roles and perspectives... uncovering power relations ... [that] unfolds a process of self-transformation’. In these articulations I see uncovering, integrating and self-transformation as things that the researcher, probably when writing up their reflexive research, can achieve. I also see the phrase meta-reflexivity, that is, ‘beyond reflexivity’ referring to another layer, probably a claim to a higher level than *human* (spiritual?) reflexivity in narrative research. To me such spatial articulations amount to our narratives being about systemic, holistic, relational processes in which researchers and their research subjects are as an integrated, interacting, self-consistent systemic whole. Reflexive researchers are then inevitably parts of this whole and meta-reflexivity implies levels. It means to rise above ordinary reflexivity to uncover and/or produce new insights by going higher? It is impossible for researchers to step outside of their experience (Stacey and Griffin, 2005), observe and uncover narrative knowledge, because researchers too are always participating in and creating the narrative of their experience, in interaction with others.

My approach to reflexivity and narrative in this research

In the reflexive narrative inquiry method that I will follow in this research, I would be consciously acknowledging and thinking about the nature of my experience of involvement and participation in working and interacting with others. Reflexive narrative inquiry (Stacey, 2010:221) is a simultaneously individual and social process, including the social patterns that are much wider than my own immediate interactions. In this context social relates to our interdependence and reflexivity in narrative inquiry means thinking about my thinking , a sort of 'second order reflexivity' (Stacey, 2012:117). In a research context, this term helps to differentiate our ordinarily consciousness and self-consciousness as the instinctive activities of our minds which we might call 'first order reflexivity' (ibid) distinguishing it from reflexive narrative inquiry as my research method.

While we are all instinctively and as Stacey (ibid) point out, 'inevitably reflexive in a first order sense', reflexivity in my research would be in its second order sense. This means that the findings of the research arise in my reflections on the micro details of my narratives of experience of interaction with others. This involves a paradoxically 'immersing in and abstracting at the same time' from my experience (Stacey, 2010:226). Here 'immersing refers to the pre-occupation in the game' (ibid) which in my case relates to changes and continuity through M&As, including the inevitable emotion that is aroused in my experience of interacting with others. My research also includes accounts of conversations with colleagues, PhD peers and supervisors where we would explore the meaning we would be making of our local interactions. This potentially involves conflict as people explore their differences and it is this difference which 'is essential for the movement of thought as we engage in discussions around difference, and justifications about the perspective we might each take in our difference of opinions. However, such discussions focused and drew on various relevant literature as 'second order abstractions' from our direct experience of local interaction (Stacey, 2010:109). Finally even when engaging in 'second-order abstractions of population-wide patterns' (ibid) e.g. discussing M&A reports, articles or certain actual mergers of other companies, my thoughts and accounts (written/verbal) of these arise in both personal reflections as well as conversations with professional and academic colleagues. New knowledge accordingly (Stacey, 2010:226) 'emerges and evolves in a history of social interaction rather than being developed by' an individual researcher reflecting on text.

Chapter 3 Power in M&As

Introduction

Power issues have been an ever-present theme of my M&As experience. The word power used to conjure up notions of command, control, ownership and company headquarters. That, I used to think, is the place from which corporate executives ‘run’ the businesses. The fact that I have always worked for multinationals, often involved in M&As might have influenced my perception of power, as a given and located at the top. Announcements and reorganizations that often followed M&As often proceeded following approvals at the headquarters. M&As often concerned and fascinated me. They concerned me as I could not know how I might be affected through the turmoil and upheavals. They also often changed and/or ended the working relationships I valued. Reorganizations not only changed our department, group size and/or make up but also the reporting lines.

In this chapter I present an account of my evolving understanding of power, my own and that of others, in the context of my experience of M&As. An aspect of this related to my early years puzzlement at what were said, announced and aimed for in M&As compared to what actually happened which were often different or contradictory.

Here, I explore these and relate my experience to mainstream views on power in M&As. Primarily such studies explore power on an organizational scale including corporate control as a tradable commodity and legal power and rights during pre and post-mergers. Drawing on Mead (1934), I present my emerging thinking of M&As in terms of executive gestures; with meanings for each act, e.g. transfer, shut down or reorganization, emerging when taken together with the responses of all those involved with or affected by these activities. Drawing on Elias (1939), I explore local dynamics of power relating in terms of initially identifying myself as a member of the acquired company, ‘us’; differentiating myself from ‘them’; the acquiring organization . How, at times I felt OK ‘included’ as a member of the combined organization; at other times, felt ‘excluded’ or was actually made redundant. I present how exploring power in M&As, when understood in terms of processes of enabling and constraining emerging as cooperation or opposition to changes to routines, procedures and new reporting lines, has been helpful to my emerging understanding.

3.1 Britsu's acquisition of NetTex

Just like the 1982 STC acquisition of ITT, the 1984 acquisition of STC by Nortel, the 2001 NetTex acquisition of Photonetics and the 2003 AXCEL acquisition of NetTex, the 2005 Britsu acquisition of NetTex was officially announced in a low key manner.

The familiar secrecy of the announcement made me smile as another textbook case of holding back as much and as long as possible which Pike and Neale (1998: 637) had called 'an exercise in applied psychology' and caution against early disclosures. I had also come across secrecy in M&As studies by Gadish et al (2001) and Sudarsanam (2003)but I was also familiar with all the upheavals that had previously followed M&As. Tim as my immediate manager had been made redundant during the STC acquisition of ITT, then Deleme, also my immediate manager at STC, was made redundant following Nortel's takeover in 1984. I too had been made redundant when NetTex acquired Photonetics. I wondered what changes might be afoot, who it might be this time and if it would be me who would also be made redundant!

According to the announcement memo, Mark would form and head various integration teams. His memo described how these teams would 'focus on uniting our two organizations and leverage synergies'. Britsu's focus according to the memo had been more on high-end products, mostly in Japan and US, whereas NetTex's were field instruments and mostly in Europe. The memo also explained 'The US and European offices of NetTex would extend Britsu's international reach ..' I interpreted these as being the synergies Mark's memo had mentioned. The memo seemed full of powerful statements about the forthcoming changes including leveraging synergies and integrating operations, all sounding very grand.

Yet matters did not go as announced. The integration teams were set up for Sales, Marketing, R&D, Accounts and IT, all headed by Britsu managers. Joe and Lars, our pre acquisition executives seemed to have been sidestepped. All design review meetings were being moved to Japan. Following this announcement NetTex's web site and logo were discontinued. Soon after that Britsu's own web site was hacked into, turning their logo upside down. The atmosphere was polarizing between the ex-NetTex developments engineers who had not been invited to go to Japan for the design review meetings and the Britsu engineers. These events reminded me how upset my Harlow based R&D colleagues at STC had been, when they were not invited to Nortel design review meetings in Canada. These similarities and the tense atmosphere were at times so overwhelming that even though I was in Sales and not R&D, I too could not continue as normal in my job. Behaving politely and pleasantly were essential in my job not only to create a good rapport when meeting clients or negotiating contracts but also crucial for persuading and seeking the cooperation of key decision makers. Cohen (Yashkova, 2005) uses the phrase deep-acting and surface-acting in exploring how in certain jobs, e.g. in sales, it is part of the job to be friendly and pleasant all the time. Over and above my technical knowledge of our products, my role in sales also required spontaneously exchanging routine pleasantries when meeting clients, especially as these clients had the power to reject or accept our proposals. I had to be ever pleasant and polite, regardless of whether I liked the clients or not, whether I was worried about my job or other issues back at the office. In negotiations, especially long-term telecom contracts involving build, installation and commissioning mobile networks, various people on the clients' side might test, challenge even undermine my remarks so as to shift or sustain patterns of power relating in our meetings and discussions. When meeting senior clients I had to be aware of these and avoid direct confrontational questions and instead use my knowledge of their requirements and projects and in subtle, acceptable and polite ways, retrieve a situation or discussions, and often did so by involving some humour. My effectiveness in such meetings, influenced by my evolved trust in my relationships with my pre-merger seniors and colleagues, had emerged in the history of our working together. I drew some of my confidence and even authority from these relationships. But M&As fundamentally affected my confidence about my previous knowledge of my team, work relationships and hence effectiveness in my role. If I am unsure about my job, anxious about what is happening at the office, or preoccupied with who else might be made redundant next, then it is more difficult to act positively, pleasantly and smile as part of the rituals of sales and contract negotiations. In Cohen's (2010) words 'deep-acting becomes even more difficult under the cloud of uncertainties and anxieties' of the post-acquisition reorganizations.

As things turned out, Joe and then Lars were made redundant in low-key memos sent by Mark. I was not sure how much of Joe's redundancy was related to the fact that he had often openly bickered with the changes even instructing me not to share project information with Britsu calling them 'information parasites'. But I think that making people redundant was probably less controversial than firing them. It was not long after Joe's departure that Lars was made redundant. Rumours of his export compliance deviations emerged after he was gone. I was not sure who had initiated or spread such rumours but fearing for my own job, I decided not to engage in conversations about them. Probably I was also avoiding seeing my friends' images spoiled for me. Stacey (2010:112) explores how 'concealing and revealing' and compromise play a part in local interactions and in extending our understanding of change through 'ordinary everyday experience'.

Despite the redundancies, R&D engineers resignations, reorganizations and recommendations by integration teams, matters did not seem to be going well for the joint business. Product integration and development road maps were still confusing for me and probably other colleagues too. Mark's memos about more time for the integration benefits to work through had made him the subject of many internal jokes. A year later, a memo from the head office announced the early retirement of some top executives including Mark. This shocked me because Mark did not look old enough to retire. Most of my ex-NetTex colleagues and I, saw Mark as a sort of assistant-god; the invincible integration hero – all mighty, in-charge and powerful. Thinking back on Mark's fate reminded me of the many maxims on the vagaries of apparent power, e.g. the steps of power are often steps on sand.

Reflecting on the acquisition six years on:

In my new role (Middle East & Africa sales director) at Britsu - my employer (June 2012) - and in generally working with the new corporate management, since the 2005 acquisition, I have developed new relationships with some of the executives who had been directors of the company before the acquisition. Not many mention the NetTex acquisition anymore but when they do (e.g. in after-dinner conversations) some seemed to view it as a mistake, attributing many of the problems that emerged to Mark. Others said it was rushed. Their justifications included the fact that the Japanese domestic market still accounted for half the turnover and it too had not grown much over the past five years. Shifting the mix of the business towards international sales growth and reducing dependency of the company on domestic market seemed to have been a major goal of the acquisition. What I am not sure of, is what the market share or turnover or indeed the status of the company might have been, without the acquisition– nor would we ever know because much of the products had been modified and we were taken over!

But I was particularly interested in talking to these senior executives especially because they had not been directly involved in the day-to-day integration efforts, nor been members of any of the integration teams. However, these gentlemen had mostly read about the integration reports and efforts. Nonetheless, based on our after dinner conversations, many of them had been involved in the high level dismissals including those of Mark, Joe and Lars. The literature often includes interviews with top management of various organizations listing interview findings with corporate executives on important issues including dismissals, contemplating, initiating and implementing M&As. For example Fortune and White (2004) take a project management view while Pinto and Slevin (1987), Belassi and Tukel (1996) and Westerveld (2003) explore competence and commitment of senior management teams as important issues in M&As. I was interested to find out if and how these or other similar perspectives may echo in Britsu executives' views especially now that it had become acceptable to blame most things on Mark. Before his departure, I had met Mark a few times and each time, managed to get a quick inquisitive conversation about how matters were going. He never said it, but many colleagues used to refer to Mark as the mastermind of the acquisition which I felt amounted to idealization. However, as a senior executive with thirty years of service at Britsu, he had enjoyed the support and respect of the board. What I was also interested in was how in just under two years, Mark had gone from being a long serving, perceived by many as an esteemed, director to getting so much blame. Griffin explores how 'with astonishing rapidity things turn for idealized executives, on disproportionately large salaries supposedly justified by their special role as visionary and they get blamed, punished and even imprisoned'(2002: 218).

Griffin continues 'because of the idealization involved, disillusionment is never far away'. And guarded disillusionment about the acquisition and Mark was certainly an aspect of what I was sensing in the responses of the executives at the top of Britsu hierarchy. According to Mr. Toda, the divisional VP, the alignment of the various divisions of the combined organizations was a major challenge, which I interpreted as difficulties to combine the two company's product lines. My conversations with Mr. Toda were in the context of a product line called RFTS which I was involved with. RFTS products was later reorganized as a separate division and sold off. Mr. Omi, senior director of marketing, seemed to complain about insufficient analysis and lack of clear objectives and timelines for the integration teams. A few other senior managers expressed disappointment with 'lack of positive results' which I interpreted as their declining confidence in Mark's ability to deliver the envisaged sales growth and improvement they had been expecting.

I was also disillusioned myself by the remarks, comments and conversations I was having with our top executives because of my earlier perceptions of power as a given and located at the top. These guys, I had always thought, supposedly act in relation to the whole of an organization. However, in listening to how our top executives were actually talking, I felt my perceptions of power were changing. In listening to Messrs. Toda, Omi and others it was clear that these gentlemen were highly educated, experienced, intelligent and insightful and were indeed thinking, talking and concerned about the progress of our organization as a whole, but to whom now or in the past had they been talking and discussing in these insightful ways? Our top executives, probably like anyone else in an organization, would talk most frequently about matters of greatest concern to a relatively small group of trusted seniors. Our top executives' important and insightful conversations had taken place, therefore, in the local situation with other executives with whom they worked or communicated more closely. The subjects of these discussions, the patterns and themes that had arisen had emerged in their considerations and conversations, formal and informal, at the meetings, just as anyone else's do.

Naturally there are differences as well as similarities between the debates and discussions involving the more powerful executives and those involving the less powerful – the likes of me and my colleagues further down the hierarchy reporting to them. When corporate executives make some gesture, a new appointment or approve acquiring another business, it potentially calls forth responses in a much larger number of people, both in the acquiring and the target organization than might be the case with the decisions that my colleagues and I lower down the ranks might make. However, just how others would respond and how things would turn out, could not be determined by these top executives, as many of them had expressed in the above. As the difficulties with the integration teams had shown, the outcome of our senior executives' initiatives, as approved gestures, emerged through local conversations, interpretations and local situations around the organization. These included how Mark was himself to lead the integration, and the impacts this decision might have had on combining the teams and how he was treated.

It seemed as if no one could determine the outcome of decisions because any outcome depends on what others both at the acquiring and the acquired organization were doing. In other words, our top executives including Messrs Toda and Omi as the highest corporate ranked, could approve the acquisition of NetTex, appoint Mark to set up integration teams to combine the two organizations, but the responses called forth had emerged in local situations as had the future of the combined organizations. This is not to conclude that powerful executives at the top of the organizational hierarchy had no effect on the pre or post combined organizations. Clearly, the reorganizations, moving and shutting down operations, combining product lines and redundancies were significant indeed. However, what executives did, had also emerged in their local communicative interactions and the nature of the impact on the combined organizations had emerged in relation to many others local situations. This realization was changing the focus of my attention, in trying to make sense of what was happening, from the top executives' statements about the merged organizations, to the processes in which these statements arose and to the widespread local situations in which these statements had had their effects. Instead of taking it for granted that powerful executive cause the upheavals of M&As that I had always experienced, I was noticing that the mere presence of my perception of power located at the top, the images of, and the fantasies about top executives, were all affecting how I was interpreting what was happening around me.

What I have described so far, is experiencing the paradoxical nature of the power of executives as both being in-charge and not-in-charge at the same time. Back in 2005, even the media and also myself, despite the difficulties of the integration process, saw benefits in bringing Britsu and NetTex together. However, despite their legal rights (Higgins et al., 2007) and also the endorsements by the media (Yashkova, 2005) Mark, Lars, Joe and our executives had not been able to realize the envisaged benefits in combining the two organizations least of all by foreseeing or preventing the demise of their own careers in the process.

The above narrative reflects the simultaneous sense of power and powerlessness that I felt in executives, colleagues and I as individuals and groups going through change and continuity following the acquisition of NetTex. It is worth emphasizing that I never felt that there ever was a clear pre and post organizational split but what I felt more and more was how both pre and post organizations were simply people interacting with each other where power relating emerged in different contexts. To develop the discussions on my paradoxical sense of power, I next present and reflect on Agilent's 2007 failed attempt to acquire Britsu.

3.2 Defending a takeover

> In 2007 rumours that Agilent (our biggest competitor) was preparing to acquire us, became rife. Although I was not one of the corporate managers, I often gathered information for them in relation to our competitors. Our biggest shareholders (two banks) purchased extra shares on the open market, increasing their holdings in the company to avert what many of our Japanese directors described as amounting to the loss of our independence. In parallel, in Sales, we received approvals including exceptional discount authorizations, to do whatever was necessary to beat Agilent in day-to-day business including competitive tendering. I saw these two initiatives as muscle flexing gestures to Agilent signalling that Britsu would resist being acquired.
>
> In various conversations, I asked senior executives if beating Agilent by lowering our prices made longer term sense as it reduced profitability and made us more vulnerable in the future. But from the tone of responses I sensed that they all saw being acquired as if it were a personal attack on their leadership. I also sensed that their resolve to defend was beyond open discussion.
>
> At nights I'd continue running through things in my mind. I called myself a coward and a hypocrite for not pressing the point and for behaving timidly in compliant ways as a docile follower. I ran scenarios in my head imagining how our executives would react if

in one of these meetings I said something like: wouldn't we all be better off now if you, Agilent and other corporate executives weren't so obsessed about buying each other out for faster growth and instead spend all this time, money and energy to do a better job of minding our businesses. I thought of all the good people including operation managers, sales and R&D engineers who were pushed out or got disappointed and left following the NetTex acquisition. Then I remembered that both successful and struggling companies engage in M&As. The point I am making here is the multiplicity of the themes and thoughts going on in my mind about how perspective dependant M&As are. If Britsu were in deep debt, wouldn't accepting rather than fending off this acquisition, in the long run, be better for the shareholders and employees? Then I thought that many of the elder managers might worry about finding alternative employment at their age. From their perspective probably they were right to adopt tactics to block attempts at being acquired than to face reorganizations or even redundancy. After all, no one in their right mind, I argued with myself, would acquire another company and just do nothing including letting all the previous bosses remain in charge. Redundancies in my previous experience (G.N., AXCEL or NetTex) had always also included more of the senior management of the acquired company.

I then felt some sympathy for this way of behaving, which under similar circumstances I imagined as typical of other managers at other organizations. At the same time I felt a sort of resentment too because there were also those directors whose opinions I had, in working with them, found particularly dated and whose deeds I found self-centred. These thoughts would not stop going round and round in my head and were tiring. I hated going to meetings and attending unquestioningly. I found Billing's (2008) exploration comforting when he describes his struggles to continue working under circumstances that one fundamentally disagrees with and the ethics of assuaging one's unease about doing so by retaining an undisclosed intention (ibid : 127). Perhaps my own undisclosed intention was that I too wanted to avoid the upheavals and to hang on to my seemingly safe job or presumably what I considered a reasonable salary and benefits. But how much salary and benefits were enough for me? How much was enough for Britsu or Agilent's executives. As our intending acquirers, Agilent had operations in five continents, were ten times bigger than we were, both in turnover and staff number; and more profitable. Why I wondered, would they want to take us over? How big was enough for them? Their global sales were bigger than the national budgets of some of the countries they operated in.

At the time of writing the above narrative, I enjoyed reading 'The Silent Takeovers' by Hertz (2002) highlighting that some multinationals had grown so big that they determine national policies rather than operate subject to them. She also pointed to the huge turnover of many multinationals that dwarf the national income of many countries, as well as identifying other problems with the emergence of 'global corporate powers'. These multinationals as well as global institutions such as the World Trade Organization, the International Monetary Fund or the World Bank have, Hertz contends, come to rule over modern societies. Others (Bayne 2005; Hajnal 2007) talked about the apex of power, at Group of Seven, G8 or G20 and multinationals dominating modern life.

Mainstream M&A literature also frequently associates the gaining of corporate control as a motive and correlate company size with power. In this context Higgins et al. (2007:2) trace the evolution of the market for corporate control, describing its origins in informal deal-based interests embedded in networks of social relations, culminating in today's formal market activities in which control of corporations is traded as a valuable asset. They believe that this evolution first gathered pace in the 1950s in US and the 1980s in the UK emerging as 'the modern market for corporate control, in the sense of the Anglo-American model of hostile bids and exit based governance structures'(ibid: 2).

Other studies (Wasserstein, 2001: 185 - 209) similarly see the evolution of power motives in M&As spanning friendly network based deals, hostile asset stripping transactions, managerial and conglomerate over-diversification to restructuring and divestment. Earlier literature includes suggestions that M&As are rooted in motives of managerial hubris (Roll, 1986) and M&As occur anyway regardless of the absence of any commercial rationale, with any synergistic gains consumed as managerial rents. Pike and Neale (1998) analyze power relating during three stages of M&As. The first stage being the *initial* period when bidders, for the first time, declare their intentions to bid, followed by the period *during* the bidding process and finally the *post* acquisition period. The acquisition proposal itself, they argue 'is interpreted as bidders' appraisal that the target company is either undervalued as it stands, or could be worth more under alternative management' (ibid: 557).

Whilst these mainstream views were helpful to me in offering explanations and analysis, there were other aspects of my experience which seemed paradoxical to these views. The following narrative of my earlier career provides a further necessary context for my earlier perceptions of power and the ensuing dissonance about power in M&As.

3.3 Early experience of power in M&As

My first job was in 1983 at ITT as an optical measurement engineer. I found it stimulating. A year later, Deleme, our chief engineer, put me in charge of training others as business was growing. Feeling safe in a rewarding job and better salary, I proposed to my girlfriend, we got married, took out a mortgage and moved into our first home. However, a few months later, STC acquired ITT. They transferred many operations to other sites and Deleme and many of our technicians were made redundant. This was my first experience of being acquired. It felt as though my beautiful life was ending. Why Deleme? Where would he go? Who would be my new manager? What if I too was made redundant? Would I be too ashamed to tell my wife? What about our mortgage? Feelings of helplessness, shame and anxiety were overwhelming and affecting my focus at work, relationships, even sleep. Although I had not even met any of the new management/owners, I felt negativity and anger towards them.

I was grouped together with a few others to form a new department: Quality Assurance. The company name and logos at the entrance and all over the buildings were changed, desks and offices were moved around, new stationery and name cards were issued. Going to work at the same place with all these changes and new faces felt strange. Fiona from personnel delivered my new employment contract, which stated my salary and working hours as unchanged. It was a great relief but I was still shocked by how abruptly the acquisition had come about, and how many top managers were just swept aside.

My organizational life in multinational corporations, involving many divisions and staff often with different cultural backgrounds, supply chains, spectrum of competitors and customers felt overwhelmingly complex. Often I perceived the nature of power as a given and located at the top of organization charts. Reading the mainstream M&A literature, I interpreted things as a clash between the two sets of corporate executives (Cartwright and Cooper, 1993; Vince, 2006).. With this interpretation, I saw the ordinary staff including myself and my managers as pawns. This way of locating power at the top, continued to colour how I made sense of power in other M&As. For example, during the early years of my career, I closely followed British Telecom's acquisition activities because they were our biggest customer. Under the new deregulated business environment of late 1980s, executives at BT, and Nortel who had acquired us, seemed to me to behave as if they were supermen. Moving operations, closing down and transferring subsidiaries, manufacturing and R&D – it seemed nothing could stand in their way. At times even my opposite numbers at BT admitted to not knowing what their own executives were up to with all their acquisition activities.

My perceptions were echoed in the literature I was reading. Hamel (2007) for example, describes origins of management behaviour rooted in the industrial age. He notes that most executives including telecom chiefs, used to be engineers by background yet saw their roles as akin to the military strategists, 'bigger than life visionaries and grand deal-makers'(ibid). But interestingly Hamel also discussed management difficulties with people not following instructions. He observes that when hiring a pair of hands, we'd also get a brain. He was pointing to the paradoxical situations I was experiencing about power at the top yet management unable to execute a plan predictably. Throughout my career, I had always felt the behaviour of most of our corporate executives was that of the holders of power. Not only that, it felt as though, as years passed by, they were becoming even more arrogant. I felt this behaviour might have emerged from public sector principals and had accentuated during the new deregulated, privatized telecom market when they were becoming masters of larger and larger businesses.

Again the literature I was reading echoed this view. Manne (1965) and later Jensen (1988), explained that firms which financially underperform become vulnerable to hostile takeovers, describing this process as how the more capable managers of acquiring organizations discipline weak managers. Others used words such as predatory for the behaviour of one organization against another (Jensen, 1989; O'Sullivan, 2003). Power relating between two firms was also referred to (Marris 1964) as a struggle for gaining corporate control where one group of managers effectively achieves control of another company though majority share ownership. Walsh (1988) in studying the employment status of the acquired management team, up to five years after the event, reported as 'exceptionally high' the top management teams' churn of the acquired companies' staff. Walsh's findings resonated in my experience as in our M&As departures, resignations and redundancies among our senior management had occurred soon after the transaction or typically in the first or second round of reorganizations. Again and again I felt as if my managers, colleagues and I were pawns in the 'buying and selling' game.
Taking a quantitative approach Schneper and Guillén (2004: 2) applied statistical analysis to their study of hostile takeovers in different countries. They reported that during 1998-2003 there were 478 hostile takeovers worldwide with 273 of these in US and UK, 19 in France, 18 in Norway, 7 in Germany, 3 in Japan and Malaysia, 2 in Thailand, and one in Chile, concluding 'that hostile takeovers achieve widespread use only when they are consistent with the interests of the most powerful social actors' (ibid :7).

They deduced that the interplay of the interests of shareholders, workers, and banks are consistent with the practice of hostile takeovers. Prior to starting this research, when reading such statistically derived classification of organizational behaviour, I used to think that it must be possible to predictably manoeuvre and direct merged organizations, if only I could figure out the golden rules and underlying trends.

So far I have reflected on my emerging sense of power which felt less and less as not owned. In the remainder of this section, I explore further my sense of paradox about power through M&As, relating this sense to the broader articulations about power in the literature. I begin with the more common notions of power that I had read i.e. the predominantly generic and organizational-scale approaches which also influenced my earlier perceptions.

3.4 Other widespread views about Power

According to Haralambos et al. 'Sociologists often distinguish between two forms of power - *authority* and *coercion'* (2004:98).Authority is described as that form of power which is generally considered as legitimate as in the authority of owners of a company to run a business. Coercion on the other hand is a form of power considered less legitimate by those subject to it. Haralambos et al argue that 'power is used to further sectional interests of powerholders which are in conflict with the interests of those subject to that power' (ibid,:99).

Reading the above, I had made sense of the sociological views about power as various forms of constraint on human action imposed by powerful groups and also that which makes enforcement justifiable. This understanding was further reinforced in how Weber had defined power as 'the chance of a man or a number of men to realize their own will in a communal action even against the resistance of others who are participating in the action' (1978 :212). Power here was being described as related to individual(s) in a social relationship in order to achieve their own will even against the resistance of others. Weber, acknowledging such a definition as too broad, suggested domination as an alternative phrase 'as the probability that certain specific commands (or all commands) would be obeyed by a given group of persons' (ibid). Features associated with domination for Weber were obedience, interest, belief, and regularity in that 'every genuine form of domination implies a minimum of voluntary compliance, that is, an interest (based on ulterior motives or genuine acceptance) in obedience' (Weber 1978 : 212).

Weber's definition of power has also been described as the 'constant-sum' or 'zero-sum' theory of power (Balloch 2002: 42) since it implies that those who hold power do so at the expense of others. Balloch considers that, there is a fixed amount of power in each society, some holding more than others and empowerment of some involves potential disempowerment of others. In 2007, when I first read this interpretation of power, I found it so inappropriate that it made me laugh, yet it seemed to chime with my felt experience. I decided to test the responses of others close to me but from a wider social background. To my astonishment, except for my 23 year old British son, others like my Turkish wife, Finnish and Danish colleagues, Austrian bosses and Japanese executives, all found Weber's view enlightening and resonating with their experience. What I learnt from this exercise is how generalizations emerge yet mean different things to different people. But I personally found Weber's articulations too mathematical in a social context. Later, I took slight comfort in reading Parsons' (1967) views rejecting the constant-sum concept of power as something employed in the furtherance of sectional interests. He regarded power as something possessed by the society as 'the capacity to mobilize the resources of the society for the attainment of goals for which a general public commitment has been made' (Haralambos, Heald et al. 2004: 99).

More recently Ritzer (2007) argued that Parsons' views of the nature and application of power in society was also naïve. Parson (1967) viewed power as something possessed by society and something for mobilization and attainment of goals. For Griffin this amounts to putting 'thought before action' (2002:21) – the mobilization or plan being the 'thought' and the attainment as implementation or action. The assumption here then seems to be that it is possible to decide when to mobilize social power, which then brings about the required outcomes. This flies in the face of my direct experience of M&As and how frequently things emerged differently. It also does not explain how politicians and world leaders also rarely seem able to bring about their declared goals and objectives. I will explore this further in the next sections.

The more contemporary sociological debates on power consider the enabling nature of power. Lukes (2004) for example refers to *three dimensions* of power, in particular, collective power to either enhance or undermine democratic processes in society. In his first dimension, power becomes visible in decision-making processes, where an individual or a group exercises power over another and a clash of interests transpires. This resonated with me during the defense of Agilent takeover attempts discussed above. The second dimension is in maintaining the tension, but the tension would be latent and buried by what he refers to as *non-decision-making* power. When reading this, I related the *non-decision-making* to the historical stance of many governments on the tobacco industry in the face of medical evidence of harm.

The third dimension of power (ibid) transcends the first and second as identifiable where it need not be exercised. For example in the apparent absence of conflict where power can emerge as acts to reinforce dominance, safeguard against potential non-compliance / grievance, from arising in the first place. This dimension of Lukes reminded me of 'The Power of the Powerless' (Havel, 1978) which he had written under Soviet occupation. Havel who became the first post-communist president of the Czech Republic, wrote about a greengrocer displaying in his window a sign saying 'Workers of the World Unite!'. Havel described how no one took the sign or the content of the declaration seriously – least of all the authorities who provided such signs to shops and would have probably been horrified if indeed the workers of the world did unite. Czechoslovakia, according to Havel, was not a particularly brutal tyranny and the shopkeeper would probably not have been sent to prison for failing to place the placard in the centre of the shop window. So Mr. Havel asks what the purpose of the display was. He thought that it represented a declaration of conformity. By issuing the placards the authorities sought to reinforce compliance and by placing the sign, the greengrocer was responding that he didn't want trouble. I recall how my father had done the same by displaying pictures of the leaders of the Islamic revolution distributed by the authorities on his office walls.

All the above dimensions whilst interesting, to me, they reflect the idea of power as something possessed by someone or group(s). In Europe or America, hardly anyone displays slogans calling on the workers to unite. Instead I see similar displays in boardrooms, reception areas of businesses and at government offices urging us to pursue excellence, to be agents of change or to delight customers. Many of us are encouraged to include them on our office walls, desks or corporate stationery and I have done so with the same resignation as my father or the Czech greengrocer.

Similarly the new placards hanging on the walls and corridors at my university over the past couple of years blend commercial jargon into academe even blurring my student status and that of being a customer. This annoys me as I see important differences between being admitted as a student and buying goods from a supplier as customer. I resent recent trends that universities need to show that they help to make money in order to qualify getting government funding. Similarly Collini (2012: 2) argues different universities have 'distinctive roles' to play in 'extending human understanding' through 'disciplined intellectual enquiry' and can never wholly fit into immediate commercial purposes. For me the placards at my university are also forms of expressions of power (I interpret them as compliance with the demands of the UK government as pay-masters) that Lukes describes as not immediately visible. He argues that securing willingness to submit to the dominant discourse, does not involve overt exercise of power. I also related this to how I find myself submitting to post M&A reorganizations.

O'Farrel (2005) on Foucault's work, explores assumptions of order, history, truth, power and ethics seeing these as interrelated with power as both constraining and enabling. But seeing things more enabling than constraining, Giddens defines power 'in the narrower relational sense as a property of interaction and may be defined as the capability to secure outcome' (1993:118). His views on power as a property of interaction are close to Elias' views (1939) referred to by Stacey et al (2001; 2003; 2005; 2008). Yet all relationships are relations of power, continuously varying in each interaction. The important new point for me is that discussions about power by Stacey et al are associated with and are in terms of the dynamism in relationships. Individuals or groups at any one time, may have similar or dissimilar power that constrain or enables their interactions, rather than power as being a pure and independent *thing*, owned by some and not others.

3.5 Classifications and assignment of power

Power has also been classified by type, source or purpose. Classification by material wealth possessed either by families or organizations are more common in my experience. Examples include classifying groups in society as working, middle or upper class or in an M&A context companies may be classified as 'cash-rich or asset-rich' (Sperling, 2010: 5-10).

Another way of thinking about power is how it is delegated as in regulatory bodies such as the Mergers & Acquisitions Commission in UK, OFCOM or OFWAT. Such bodies are organizations with delegated powers in telecommunications or water to ensure proper conduct and fair competition between companies in their industries. In daily conversations, people also talk about a person's power, relating it to training, expertise or skills such as lawyers, surgeons or political leaders. 'Knowledge Transfer' in M&As is also related to power (Bresman 1999; Schoenberg 2001; Cabrera 2002) as in when people discuss having, sharing, withholding (Joe-I narrative – see p.66), protecting, revealing-and-concealing (Stacey, 2010:112) or creating knowledge. The latter is what my ex-boss said he was doing in my above narrative.

Fame has also been linked to power with some athletes admitting to willingness to taking illegal substances if guaranteed not being found out, in order to enhance performance describing fame as power in life. The nature of power arising from fame has also been discussed (Kay, 2001) e.g.

the chief executive of General Electric Jack Welch or the footballer David Beckham. Kay (ibid) taking a statistical approach, notes that in terms of sheer numbers Beckham and Welch have been quoted more in business journals than the activities of the British or European parliaments. Reading Kay's work, I imagined how an acquisition approach by Jack Welch's company might have felt more positive for me than a company I had never heard of.

Game theory, which emerged out of applied mathematics and is often used in competition analysis (Aumann, 1987) also attempts to analyze power relationships. Often I felt that success of post integration projects seemed like power games as in when after being acquired many of us at NetTex would not use Britsu's stationery or e-mails for months after the acquisition. Game theory describes human behaviour in situations where an individual's success in making choices depends on the choices of others. Aumann describes game theory as 'a sort of umbrella or 'unified field' theory for the rational side of social science, where 'social' is interpreted broadly to include human as well as non-human players (computers, animals, plants)' (p.460).

Dowding (1996) sees game theory foundations in the theory of rational choice where individuals or groups are considered as 'actors' facing a 'choice set' of possible actions to try and achieve desired goals. Actors' 'incentive structures' are associated with their beliefs about the perceived costs of different scenarios in the choice set, and the likelihoods of each scenario leading to desired outcomes. Under this conceptualization of social interaction, actors exert power over one another by taking options away from others, change the cost of certain scenarios or even influence others' beliefs about costs or outcomes or scenarios. But for me Dowding is overstretching this theory. For example he (ibid) analyzes power in terms of its dynamic from three perspectives. The 'elitists' who argue that a few people dominate society, which he classified in terms of 'personalities, families and social class'(ibid: 2), by holding positions of power in key roles in the society such as resources and privileges. Political scientists, the second group Dowding refers to, challenge the elitists' view and concentrate more on the social decision-making process itself. The third group are the pluralists (whose views in this case I find more fitting) who argue that 'while it is true that a relatively small number of people hold key decision making positions, those decisions makers are influenced by a great number of other people through group processes' (Dowding 1996: 4). But what I don't relate to in these assertions are distinctions between groups as if they are autonomous and separate. So I will next reflect on how various perspectives distinguish between influence and authority. I then turn to how these might have influenced my own perception about manifestations of rights, relating them to the emergence of regulatory bodies including The Mergers & Acquisitions Commission.

Media and distinctions between power, influence and authority

Discussions on power dynamics between groups of people were a major focus of the political philosopher, Karl Marx who linked power and authority to legitimacy (Kaletsky, 2010). Marx considered large companies among the most powerful social institutions and their leaders among the most powerful people and questioned the source of their legitimacy. He believed that there are no universally acceptable answers to the question of legitimacy. Furthermore, he saw debating these issues enlightening for the masses that would then revolt against the domination of the ruling classes leading to the collapse of capitalism. 'But he misunderstood and has been wrong so far' (ibid:34) although the influence of Marx's views continue in the mainstream literature. Whilst I do agree with Marx and find debates enlightening, I do not agree that enlightenment leads to social revolts. This, in Griffin's words amounts to putting thought before action (Griffin, 2002: 25).

The Office of Communications (OFCOM) – the UK's single communications regulator since 2003, and The Monopolies and Mergers Commission are set up to keep things in check so that companies cannot dominate or monopolize markets but the scope and limits of their powers too are negotiated and approved by parliament rather than a given or absolute. Corporate executives do have the power as their legal right to engage in M&As but like the power ascribed to the Group of Eight - G8 or G10 as the group of largest economies, do so within certain laws. Over and above the legal aspects, my experience reflects the limits of such bestowed powers. However, my perceptions about power as a given, also seemed to echo in the media in how much coverage they ascribe to the meeting of the heads of these G8 or G10 states. Such perceptions I now consider also have arisen in historic contexts and continue to influence how things are reported by the media and also interpreted by viewers. In the next section I describe how the power ascribed to the heads of corporations (Hertz, 2002) or the head of world's industrialized countries used to fascinate me, and how this association also confused and disappointed me when those with power and authority also seemed not so powerful. I then move on to how I relate these perceptions and reflections to my notions of power in M&As.

3.6 My emerging perceptions of the paradox of power

In recent years the media, in covering the G6/8 world leaders' meetings, their agenda and annual summits, seem to glamorize them. The keywords for me are world leaders, annual and agenda in that they convey importance of these meetings and the issues discussed.

The G8's 2008 meeting was held at the Lake Toya in Japan. As with all their meetings going back to the first in 1975 when the group was first formed, and according to their own official web site, the BBC, CNN and other news media, these meetings bring together the world's most powerful heads of government to discuss world issues. These issues have included oil and energy, debt, poverty in Africa, AIDS, trade and more recently security and climate control. The first meeting in 1975 was held as G6 in the aftermath of the oil price shock and hyperinflation after the Second World War. But the governments these leaders represented have come and gone often in unexpected fashions and these leaders, like many of our executives could not predict their own survival to the next meeting – let alone controlling energy prices or the other issues. Furthermore, most of the issues including poverty, security, trade and debt have outlasted the leaders charged with tackling them.

The point is not how powerful the leaders of the world's most industrialized nations might or might not be, but how the common practice of relating power to the top had influenced me. I had bought into these ways of thinking which is probably why I was following the media reports so closely. Power issues in real life however, seemed more complex than was being assumed. Similar to my experience of power of executives to bring about change through M&As in the business world, it seemed that power did not reside at the meetings of the heads of the largest military or economic states either, or for that matter other world organizations. For example, I began wondering if The World Trade Organization was really managing world trade when the world leaders seem unable to control much of what happens in the world. Similarly, the World Bank seemed not the world's banker nor seemed able to manage world debt. The International Monetary Fund too, seems unable to neither manage the world's money nor make poverty history. However, since these world organizations not only have emerged, continue to exist and their meetings and agendas get so much media coverage, it must mean that they serve some purpose(s) but power is not a thing that the heads of these organizations have as a possession.

Yet this is the impression I got from the media, the literature and the way people talk. Griffin (2002:200) argues that it is psychologically more comforting to believe that the company directors or political 'leaders have the power to shape' events. I thought that going behind closed doors at fancy locations for their meetings adds extra fascination to these meetings. Such comforting ways of thinking that somebody is at the helm, so if/when things don't work out, it wouldn't be my fault, were among my particular ways of making sense of the world. This particular way of thinking about power as a given, was influenced by the mainstream ways and contributed to what I considered as the norms or how change through M&As were supposed to come about. Griffin (2002) discusses human tendencies to idealize and generalize themes that become the established ways of thinking eventually emerging as *imagined wholes*. When I first read Griffin's ideas, even though they resonated in my experience, I found it difficult to let go of my habitual ways of thinking. Griffin, exploring 'the cult of power versus the function of power', describes how

> the literally awesome aura which power can take on .. [could] tempt us .. to reify power and locate it in individuals and institutions. This is very real to us, in terms of paying our taxes and obeying other laws of the societies .. and following the codes of practice and status position that can legitimately be reified in organization charts (Griffin, 2002:200)

These observations resonated with my early general perceptions of power which still seem to prevail in the dominant discourse in which power in M&As is thought to be possessed by some i.e. the corporate and senior executives who can use 'it' to buy, sell and/or combine businesses. In this dominant discourse, reification of power is common i.e. as the possession of the few high level executives who have more of 'it' and the rest of the organization possessing less of 'it'.

During the course of this research however, my sense of power issues in M&As has been evolving becoming more aware of what Chambers (2004) describes as overt uses of power and micromanagement. For example, in relation to reorganizations following the 2005 acquisition of NetTex, integration teams were announced, whereas previously our top executives had predominantly decided everything. But in this latest approach, only the team leaders where appointed by the top management who then in discussions with other team members decided who would be assigned to which position. This was called empowering where it seemed top executives had given up some of their power to staff. Setting up integration teams was meant to empower staff to self-organize themselves under the new combined organization. It was also described as some motivation to improve performance and referred to as modern management.

To me however, setting up integration teams made staff redundancies appear as a natural course, even necessity for the success of the new combined organization. Setting up post acquisition integration teams and staff deciding who would not be needed, also distracted attention from any potential accusations of the top executives that some of the cost saving for which the acquisition master-minds would get the credit, would be at the expense of taking away jobs. By not involving themselves in drawing up and implementing the new structures, and the ensuing redundancy programmes, top executives were also seen to be walking the talk, promoting employee empowerment, motivators and promoters of more equality in the work place.

The modern ideology of continuous improvement (Kaplan, 2000; 2007), more equality and avoiding micro-management and manipulation of others, whilst it does have benefits and some redundancies might be natural, at the same time distracts attention from the more subtle uses and abuses of power by executives in M&As. For example, Mark, noticing the tensions between various teams, issued a memo calling disagreements with each other in the workplace as something that disrupts the effective functioning of the new business. He invited everyone to avoid 'politicking' and pursuing personal agendas and to concentrate instead on 'doing the right things' that would ensure the future success of the combined organization. I saw this as putting themselves apart from the reorganizations.. they were doing the right thing for the 'business'.

To better understand the dissonance I feel in my experience about power in M&As, and to get around the fashionable avoidance that I sense in covering over of the ever presence of the power issues, I find the complex responsive processes theory that draws on Elias' view increasingly helpful. Elias (1939; 1991) argued that power is not an 'it' or thing to be carried around and/or given to others by any one nor can power be taken away or carried by anyone to other places (board rooms or summits). For Elias we are not autonomous individuals simply because as social beings, we are dependent on each other. We cannot accomplish much living in isolation or lead a full life. People need and depend on each other for many different reasons including the need to love, care, relate, celebrate, compete, learn from one another, argue, make up or set-up, run or combine the businesses that make up the world we live in. To emphasize that we need each other and are social beings, is a fundamental fact about human beings, as opposed to making an ideological stance to argue for or against interdependence. Since we are interdependent in such fundamental ways, it means that as individuals we need each other, and for me this fact makes clear why power is such an ever present aspect of human relating. I need others, in my professional life as colleagues, customers, suppliers, investors and in my family life, I also need others as in a partner, parents, children, relatives, neighbours, teachers, classmates and team-mates. I therefore cannot do whatever I please; and at the same time, since they too need me, then neither can they. So in needing and relating to each other, others and I constrain but at the same time we also enable each other and this paradoxical dynamic is part and parcel of what I have begun sensing as power relating. Finally, since people's need for each other is not static, our power relating to one another will always be continuously evolving. For example, if I love someone more than they love me, then power relating is tilted in their favour.

Encouraged by my emerging understanding of complex responsive processes, I next describe how this theory is helping me make sense of a wider range of power issues in M&As.

3.7 Power and ownership in M&As

As previously mentioned, Griffin (2002: 165) emphasizes the difficulties of letting go of the concepts people are used to. An example is how I was associating company executives as being the owners or at least part-owners. But in my experience, senior executives were mostly the administrators, and seldom the owners of capital.

Unlike in years past, the name or logo of a company on their products or websites gives little clue to the ownership of the companies, their size, influence, power or stability. Most of the titanic companies in the world of a few decades ago which I grew up in, such as Standard Telephone Cables in telecom, International Computers Limited, International Business Machines in computing, US Steel, General Electric - are now but a shadow of their former selves; many have disappeared and their names neutralized. But my fascination about size as a generic advantage lingered on together with ideas of key owner at the helm. I also related ownership to power, authority and/or their rights to buy, sell and combine their businesses and we as managers worked for them. For example, when I worked at GN, the corporate planning department in Copenhagen used to monitor a dozen companies in the telecom industry, related and sometimes unrelated firms. They talked about various companies they had been following, discussing their strengths and weaknesses using graphs and estimating the likely benefits obtainable if they were acquired. Organic growth seemed too slow at GN. I felt important being invited to such meetings but less important than others because my role was mostly related to products.

A summary cross checking against a set of acquisition criteria was then produced for the board of directors/owners. When the decision to recommend an acquisition was reached, a short list was produced based on the assessment of the target, including their stock market ratings. But in all this, nothing was communicated openly to anyone outside the meeting, as the intention to bid itself would have disclosed three new sensitive sets of information (Gadiesh et al., 2001; Sudarsanam, 2003) about the bidder, the target and the prospective value. I also felt important to be on the acquiring side as I saw it as having more power than if we were the target. I also felt good as I saw it as a privilege to be involved with confidential information. The literature I was reading reinforced my thinking. Pike and Neale (1998: 637) for example, called bidding 'an exercise in applied psychology' where it is often unclear before the event how the markets, the defenders, the regulatory authorities, the customers and general public would react to a takeover attempt.

Reinforcing my perceptions correlating ownership, size, power and control was the language of certainty used in the literature and also at our meetings. For example, in comparing strategic with financial takeovers, Healy et al.(1997) articulated that strategic takeovers generated substantial gains for acquirers whereas the financial, or unfriendly, acquisitions mostly break even. Hoetzel (2005) similarly explores the influence of "the three variables" of individualism, uncertainty avoidance, and masculinity in both pre and post acquisition phases. He saw national and corporate cultures' as a major influence on cross-border mergers and concluded '.. so M&A success .. depends on the skills of management to integrate different cultures '(p.8). Similarly, Bild's (2002) study on value creation of takeovers stated

> this paper is organized as follows: Section 2 discusses why the traditional approaches fail to measure the marginal impact of acquisition. Section 3 reviews the residual income approach to valuation, and develops a model based on this approach to measure takeover performance. Section 4 describes the data and sample statistics. Section 5 reports the results from the empirical analysis. Section 6 concludes. (p.4)

Reading the above my impression is that M&As are to be analyzed statistically in the context of a dynamic system made up of various parts interacting with each other, with the firms as one category of the elements making up such a system. Furthermore, in categorizing, grouping and classification there is a sense of seeking patterns or trends that would allow certain predictions with connotations of managers' ability to deterministically bring about intended changes through M&As. Another example of the quantitative approach in the literature is Schneper and Guillén's (2004) study of 478 hostile takeovers in 37 countries between 1988 and 2003 where they state

> Models 1 through 4 show results of negative binomial regressions using GEE as the estimation method, while model 5 is the negative binomial fixed-effects specification. Model 6 reports GEE *logit* results using a dichotomized dependent variable… We find robust support for all three of our predictions. Models 2 through 6 all lend consistent support for the hypotheses that the greater the protection of shareholder rights, the higher the number of hostile takeovers. (p.36)

What I have presented so far is the emergence of the sense of paradox in my experience about the power of executives who seemed to be both in-charge and not-in-charge at the same time, how frequently the intended changes rarely emerged as announced. My experience was that of coexistence of contrasting themes. Yet the mainstream articulations predominantly separated businesses and individuals, saw power as a possession, relied on mathematically rich analysis, and change through M&As as related to growth and/or improvement. I felt that such articulations explained the sense of paradox away. Yet my sense of paradox particularly about power in M&As re-emerged frequently. Returning, in the narrative below, to the relationship with my boss, I discuss the shifting and transformation of power that continuously renewed my sense of paradox in these activities.

Joe's redundancy after the acquisition

The first joint company's Christmas party after the Britsu acquisition of NetTex was held in high esteem and many received awards including Joe, my line manager. He was awarded the most consistent sales target achiever over 20 consecutive months. That night, Joe celebrated his award with us, his team of 10, including me. I was happy for Joe.

For a further three months business continued as usual. Then heads of integrated departments including sales, marketing, finance, HR and R&D were announced. Joe was most disappointed when ex-NetTex members were not heading any departments including Lars, our pre-acquisition VP.

Joe had been 'assigned to the Wireless Division', no direct boss, job title or staff reporting to him. I was assigned Sales Manager-RFTS, reporting to Mr. Morimoto in the Tokyo office. Mr. Morimoto was a new recruit, and half my age. I felt this was inappropriate since all my managers (in the context of Japanese culture that I understood) had previously been men of age, and had much more relevant experience making it easier for me to look up to them (or at least this was what previous Japanese management had told me).

Joe and I talked about how we saw our new roles as demotions and initially would not report fully to Britsu managers. But Joe took it particularly badly and would not provide *any* information to senior executives. In private conversations with us (his pre-acquisition staff) Joe referred to Britsu directors as *them lot* and *information parasites*.

But when Joe found out that I had updated Mr. Morimoto about various projects, he got angry. I explained to Joe that continuing to withhold information was harmful to the business and customers. He smirked: whose business! Eventually Joe and I fell out over this. Later on Joe, Lars and many others were made redundant. Joe joined EXFO – Britsu's ardent competitor.

A few months later, Linda (Joe's assistant before the acquisition) phoned as I was on my way to the airport for a trip to Turkey for a major tender meeting. EXFO and Britsu had been shortlisted in this tender. Linda said Joe had called with a message for me: "I wouldn't bother getting on the plane to Turkey". I understood Joe's message to be.. come hell or high water he would do his best to beat Britsu and now me in this tender. I felt his overt aggression (using his previous assistant to get info about what I was doing) had been wrong and decided not to respond but rather to just do my job.

My motivations to reflect again on the relationship between Joe and I are in the context of the transformation of relationships and power through M&A activities. How close Joe and I used to be and how we changed. Immediately after the acquisition I continued to feel that he could still tell me what to do even though he was no longer my manager. The experience hurt me. So defying him, taking my own authority to cooperate with the new management team felt a difficult step. In fact post M&A reorganizations continued to challenge my early perceptions of power i.e. neither possessed nor fixed. But at the same time, locating power in my seniors and our heads of organizations was real to me in terms of respecting their instructions and the impact of M&As on me. M&As often changed and transformed my relationships mostly shifting power in unexpected ways. There was also a sense of loss of power as these relationships changed. Power then seemed like fluid patterns of perceived need (both mine of my managers and my managers of me) and appeared as figurations (boss-subordinate) in our relationships (Elias, 1939). These figurations as social patterns of grouping to me meant that my closeness to Joe, Deleme or Nick meant that I had a job as a capable employee, and continued being included following reorganizations and other less capable people or sometimes capable but less lucky colleagues than me got excluded. It was in my inclusion in post-acquisition reorganizations and in the new combined entity that I related to professional aspects of my identity. So I saw my choice in reporting to my new Japanese boss and not following Joe's instructions influencing whether I would continue to be seen as a productive and a capable member of the new organization or be excluded due to being detrimental to the progress of projects and so get laid off.

It was in these interactions, making choices and owning my own authority in ordinary local politics of my everyday organizational life, that my ideology was being challenged as my judgment of what was right and for the good of the new combined organization and what might not be. At the same time, my judgments about others and others about me were influencing how my old colleagues, new colleagues and I were relating to each other and hence losing or gaining relative power in our relationships. Power relating was also related to previous patterns of our pre-acquisition interdependence as in the managers and colleagues that I considered supportive. Stacey describes need as a basis for power transformation (Macintosh et al., 2006: 286). Post M&A reorganizations always induced turmoil in relationships; often disagreements and conflicts of interest emerged. In the above example, after the acquisition, Joe stopped relating to Britsu benefits as his own, mine or other colleagues. Some said that he wanted the nice redundancy package. I did not think so nor asked him. The point is the dynamic complexity of the human relating of which power is a constant aspect of our relating to each other. Experiencing shifts in allegiance and power of followers felt so profound and real and made me realize that power, despite my earlier perceptions and interpretations has never been a thing that some have in some absolute sense more of than others. The complexities of human power relating issues make the outcome of change through reorganizations, unpredictable. The focus of the above is on post-acquisition power relating. But power issues during pre and post-acquisition times are neither separate nor different. So in the next section, I reflect on the announcement of the same acquisition as complex responsive processes of local interaction in which power issues arose as a major theme of my experience.

Power as an ongoing theme in pre and post-acquisition processes of local interaction

I was in the office on 15 Aug 2005 when the news that we were being acquired by Britsu was announced. My first reaction was to think of Britsu as the ‘outsiders’ in ‘The Established and the Outsiders’ by Elias and Scotson (1994).They describe as social processes, the emergence and evolution of power chances between two – in many aspects similar - groups of people and how these could be used to exclude and or stigmatize members of the other, and how that is experienced in the collective ‘we’ images in both groups. My reaction was probably enforced by my memories of the previous acquisitions that had brought about redundancies (my own, colleagues/seniors), upheavals and disruptions. I felt the urge to find out more about Britsu as if I was searching for ways to protect my identity, seeing them as the ‘outsiders’.

A quick online search indicated that Britsu, as of March 2005, had 4,800 employees which made them 10 times bigger than us at NetTex. Britsu's line of business was more high-end laboratory type products whereas ours were more field instruments. In 2005, they had a $514m turnover which was also 10 times ours. These findings made me feel uneasy because this, by far was no coming together of two equals. I felt very anxious. Memories of previous acquisitions were taking over, saturating my mind and affecting my responses and how I was making sense of what was happening in my present. I remembered how previously the new owners had run their businesses at arm’s length, and as it had later transpired it had been with a view to sell us up at a higher price later. This had been the case when GN had acquired Photon Kinetics. They had appointed a few top executives to oversee matters. In another case the new owners had merged most operations when Alcatel of France had acquired us at STC where I was working in 1989. Alcatel had soon run into financial difficulties and had subsequently shut the Southampton plant down. Regardless of whether we were acquired, sold off, taken over and/or shut down, I thought, these outcomes could not be described as the growth/improvement initiatives promised when they were first announced. And in all these cases, redundancy rounds had been part of the processes.

These memories kept flooding my mind. I was feeling overwhelmed by a multitude of tensions between my internal emotional responses to the news whilst trying to behave in a positive mode to blend in with what I considered the rest of the management's mood. Trying to sense how others were affected or talking to others was not easy. But I was wondering if there were others who also felt the same as if I wished to share how overwhelmed I was feeling with what was going on, which created additional emotional dynamics. Vince's (2006) study describes how fears about personal position undermine the ability of managers to enact their authority and to act collectively within the organization. Vince's work also elaborates on the relationship between collective emotional dynamics (political relatedness) in the organization and reflections under takeover circumstances.

Another internal memo by Lars, our VP at NetTex, stated that:

> Britsu's acquisition is excellent news due to the complementarity of our businesses and their vision to invest in future product developments with us.

We had a good market share in Field Instruments and Britsu in Laboratory RF and Microwave. This I assumed was what was meant by complementary. The memo also stated that the new owners see an upturn in the Telecom market and no redundancies were foreseen. Ian, one of our sales managers at NetTex said '.. and new owners had praised the caliber and excellence of NetTex sales force and had plans to recruit even more sales staff'. This was Ian's first experience of a takeover. He said that he was enjoying the new buzzing atmosphere. I wondered whether Ian might have felt less enthusiastic if this had not been his first experience.

However, six months after the acquisition, one after another, Ian, Lars, Joe and many other were made redundant. I still had a job but was finding it increasingly difficult to work with my new manager, Mr. Morimoto. I was also anxious about the 'permanency' of my job. Whilst I was eager to close a few major contracts as if to 'prove' myself to Britsu, I often found Morimoto's questions infuriating. For example when, by e-mail, I once asked him to check if our Atsugi factory in Japan could approve a large discount for a two-year contract, his reply the following day was:

Morimoto: Why do they want to buy?

Farshid: I don't know why they want to buy, but our products have been technically approved for this large project, they wanted to buy, and if we don't sell, we don't eat. So please urgently advise if we can, in this competitive situation, bid at my recommended price because I also need to organize a bid-bond with our bank, which has to be a percentage of the offer before the closing date in ten days' time.

Additionally I must prepare a formal clause-by-clause compliance response to their thick tender document.

PS why do you need to know why they want to buy?

The next day, Morimoto replied:

I want to know if they want to use our products for maintenance, repair, service or a new network roll-out

Farshid: Our products can be used for maintenance, repair, service or a new network roll-out. This is one of our selling points. Also customers do not disclose what they want to do with the products they buy

The next day, Morimoto replied: Thank you, I will now ask the factory for their approval

Farshid: Does this mean you still have not initiated the request?

The next day, Morimoto replied: Yes, you are right. I needed the info in case they asked.

I missed the submission deadline for that tender and we were excluded from bidding in three more tenders. I saw this as a lost opportunity for me to prove myself to the new management and also a wasteful exercise in terms of time, money and energy. I also related this to increased risk of my redundancy due to being viewed as a non-performing sales manager that Britsu had inherited. In all the turmoil of reorganizations, I had lost sight of the importance of rebuilding relationships and that my testy responses might have contributed to these outcomes. My point is that between us, Morimoto and I had managed to get excluded from that bid. To me, it was in the confusion of unknown relating that this opportunity was lost. Morimoto and I, newly working together, were relying only on our power in the hierarchy position, and not on our relationship and so there were no short cuts in our decisions. What became the outcome of that bid can hardly be described as growth and improvements that M&As were supposed to lead to. Success here critically depended on a lot more than position in the power hierarchy. Other than Morimoto, I did not know anyone else at the Britsu factory either, whereas previously I knew a lot of other people at each of our plants that I could contact for last minute help/support.

Viewing M&As at organizational scales, generically as growth and/or improvement initiatives deflects attention from how the intended changes are to materialize and how reorganizations mess up the power relations that had evolved. These relationships influence working practices in the local situations and what emerges as outcomes of business activities of the combined businesses. M&As always initially increased the number of individuals grouped together to form the new merged organizations. As the size of groups grew, so did the number and the complexity of the themes of local interactions, making the predictions of any envisaged outcomes even more problematic. Prior to M&As, my colleagues and I identified with and related to each other each, and our organization had emerged to be what it had become through our interactions. These were our complex and temporally established themes/structures of our interdependency that influenced how tasks were individually or in groups being carried out.

> But the complexity also has to do with embodied human beings with strong emotional themes, which have emerged in their past and constitute the enabling constraints that are the structures of [our] participation in the living present (Griffin, 2002: 201)

M&As disturbed and disrupted our temporally established themes/structures, even roles, inducing new dynamics of enabling-constraining between us. I now find making sense of power as the enabling constraining nature of our local interactions helpful to explain the sense of paradox about power in my experience. The enabling constraints also included how people in post-merger times may label or refer to each other with pre merger names. As in the above example Joe, as my pre acquisition boss, when asked for update reports, called members of the acquiring Britsu *them lot* and *knowledge parasites* which I identified with. Joe had refused to provide any information despite numerous reminders and boasted about ignoring the request. In doing so, Joe was differentiating 'us' from members of Britsu in an 'us-and-them' dynamic. Here processes of power for me were the enabling and constraining in Joe's behaviour in terms of the dynamics of inclusion-exclusion. He was still relating to me as his sympathetic ally member of the acquired organization in this particular issue. Although I initially empathized, later I did not agree with Joe's behaviour and yet he seemed to have assumed that I would. I saw Joe's prolonged conduct becoming unreasonable and unfair to me and Britsu management whom we had not known. When Joe found out that I had submitted reports to Britsu (despite his instructions not to) he ostracized me as if still wielding his power, albeit his diminishing power and status. I now made sense of his and my behaviour and response to each other in terms of functionalizing new norms, values following the re-formulation of group norms and power tilts. This was due to how I felt sad for losing his friendship and angry at what I considered inappropriate behaviour under our new work environment.

I also understand the enabling-constraining in terms of cooperating and competing which in turn related to various motivations including survival, self-centeredness or rivalry driven by overt or covert desires to retain and strengthen identity and belonging. These reminded me how Scott discussed what he terms public and hidden transcripts and 'arts of resistance' (1992:xix). In the above narrative, having been a senior manager responsible for all the company's products with many staff prior to the acquisition, Joe had been disheartened after the reorganization which placed him in a much reduced role both of products and no staff reporting to him. I saw Joe's reactions as protest but little power for resistance. These included withholding information and instructing his old staff also not to cooperate with the acquiring management. Referring to Britsu as *them lot* or *information parasites* in relation to *us* was his way of showing resistance. However, the organization had changed. The dynamics of our power relating had changed; at least in how I felt his conduct had become unacceptable for me and others under the new environment. What I saw as arrogance was wearing away the respect I had held for him and hence was eroding the 'we' feelings.

Also influencing the manner in which people constrain and enable each other are emotions including shame of being taken over and having to work for and report to new faces that we might not like or get on with. Across the emotional spectrum for me were neutrality and positive emotions including acceptance, empathy and compassion that also affect our interactions. Some of these emotions had emerged straight away; others might emerge in time as I had begun to change my attitude to fit into the new organization and new situations including reporting lines. But I too had initially adopted an antagonistic mannerism. For example replying to Mr. Morimoto'sn messages, my Japanese manager, by short, sharp even single word e-mails. But my feelings began to change to empathy and even support after a few months. The new grouping had begun to manifest through a new evolving ideology for me. I can't pinpoint how much of my initial responses could be attributed to acting and thinking in defensive ways, worrying about my job security and prospects but these too influenced the enabling and constraining of our relating. Whilst these are some of my realities of experiencing M&A activities, power and how it's articulated in the mainstream M&A literature is often at organizational scale, and in the context of decisions to undertake and / or implement these initiatives. The individuals and how they respond to each other which have a profound influence on what emerges, disappear. Next I turn to how these individual local interactions influence themes of power relating that emerge.

Reorganizations and redundancies as power relating

Another manifestation of power relating as complex responsive processes is 'the dynamics of inclusion and exclusion, which is associated with the evolution of unofficial ideologies that challenge the official ideology' (Griffin 2002: 169). In my narrative about Britsu fending off Agilent's takeover, many thoughts influenced my responses. I felt resentful of the higher salaries of directors and how these would have to be paid from the reduced profits by giving away large discounts just to win orders against Agilent as part of the fending off efforts. I felt annoyed when thinking that the profit pressure might influence research and development and in the long run, we might become less competitive with fewer new products. Then again I thought that maybe

Agilent too are finding it difficult to grow organically and that they too were desperate to find a new growth path. After all, to acquire another company the bidders normally pay a premium over the market value of their targets (Pike and Neale, 1998) and this too has to be paid for from their profits. I also thought that I should not appear doubtful of tactics adopted by my senior management or not be seen to subscribe to the common cause of defending our organization, because I might be excluded from future confidential management discussions.

Such thoughts and fantasizing was influencing my behaviour when reflecting on our defending efforts. I felt resentful but also sympathy, wanted to hinder these efforts but also support our executives. I felt upset about Joe, Lars and Ian's redundancy but also angry at Joe. Working with Morimoto was taxing but at least I had been kept on and received a salary. I was experiencing a tension as the dynamics of cooperation and competition. 'For Mead conflict is intrinsic to particularizing, functionalizing processes'(Stacey 2008:12). The complexity of human responsive processes of relating also refers to these complex emotions and motivations, as well as some of the spontaneous changes in our behaviour, characteristic of ordinary everyday communicating. In such a context power was consciously or unconsciously exercised through my individual tendencies and the choices I was making in responding one way or another whilst being conscious of how I might get excluded or remain included. Yet I don't know nor can I differentiate when my choices were conscious or unconscious, habitual or impulsive. Griffin explains that 'the criteria for evaluating these choices are values and norms, together constituting ideology' (Stacey and Griffin, 2008:13).

The tension I was feeling was also because of changes induced in our organization and what I might have considered to be normal prior to the acquisition. This tension was compounded by my perceptions of power of the acquirers and the new owners with legal rights to keep me on or fire me. I also saw the control of our organization as Britsu's prize.

Next I will relate these perceptions to ideology and the emergence of post acquisition power dynamics.

Power and Ideology

Complex responsive processes theory draws on 'the works of Elias to show how power figurations are sustained unconsciously by ideologies' (Stacey and Griffin, 2008:13).

Reading this resonated with how easily I initially followed Joe's instructions to me not to report to the acquiring managers of Britsu. Whatever the reasons were, initially and unconsciously I did so without questioning that what I felt as Joe's seniority and power over me was in fact an aspect of our pre acquisition era, yet I was carrying on with this without much thought. It wasn't until I reinterpreted the situation as getting caught up in Joe's own *game plan* that I began reporting to the post acquisition management, properly.

But realizing that I did have a choice did not come straight away. I must say that Mike, Martin and Jacqueline who left Britsu and joined Joe at EXFO (a competitor) somewhat surprised me and I envisaged how Joe could have been plotting his own game plan in reforming his old team at EXFO. The point here is not making a judgment whether what my colleagues did in following Joe was right or not, but the choice they made in doing so. This choice, the same as the choice I made not to follow, was based on our own individual evaluations influenced by our own values. This view of ideology though is different to other mainstream views. For example ideology has been used in critical organizational analysis 'to examine the ways in which workplace discourses function to produce, reproduce, and sometimes transform organizational meanings, social realities, and power relations' (Baruch 2009: 3). According to Baruch, ideology is 'viewed as a social and material practice that functions to reify extant realities, obscure contradictions, universalize specific group interests, and so forth'(ibid).

I find this manner of articulation somewhat difficult to relate to. My understanding of reading this text is to portray workplace discourse as something concrete out there apart from the temporal interactions that give rise to the workplace discourse. Furthermore, while M&As disrupt the workplace discourse, they also give rise to the emergence of new interactions that evolve and become new ways of working together.

Unconscious underlying ideology was what I experienced that made me without much questioning follow Joe's instructions. Other examples in my experience include the power I associated with the executives of the acquiring Britsu or the world leaders as master of the universe. But there is no causal agent outside interaction itself. Interaction is its own cause. Accordingly 'the values and the ideology are not given outside of the interaction as a given or transcendental whole but emerge as the functionalization of cult values' (Stacey and Griffin, 2005:21). From this perspective, what exists as wholes are ideological wholes (Joe as the big powerful boss). But these ideological wholes emerge in creative acts of imagination which are functionalized in ongoing interactions in which the idealized whole may well be negated giving rise to the subsequent ideology. I was experiencing how M&As (influenced by my emotions) transformed my image of Joe and his powers over me, and how I was forming new images about my new bosses. Such an approach to understanding power in M&As is an evolutionary perspective of values and ideologies that arise in self forming social processes where ongoing conflictual negotiation and power relating manifest themselves (Griffin, 2002: 15-25).

Conclusion

I have explored the power issues in M&As and the sense of paradox I have been grappling with. Power emerged as a major theme of all my narratives, numerous reflections and has become a contributing chapter to my exploration. In this exploration I have referred to the M&A literature that include the pre and post-acquisition stages, legal rights and control of organizations as a tradable commodity. However, these approaches are mostly organizational scale and primarily focus on the decisions to acquire or combine operations cutting out ordinary everyday conversations as if superfluous. I described how the mainstream studies, with their focus on control, rights, order and allocation of resources (many of which are material i.e. physical, not socially constructed but out there regardless of human experience) amplified the sense of paradox of the power of executives.

A major focus for me on the other hand, is exploring change and continuity with power emerging as a major theme of local processes of interaction with my pre and post-merger colleagues. These include the dynamics of power relating in terms of identifying myself as a member of the acquired company, differentiating myself from members of the acquiring organization, and how these feelings of inclusion and exclusion influenced the course of events. I described the temporal nature of these feelings and how their transformations in turn influence my perceptions and interpretations. M&As often increase the number of individuals working together in new groupings as a joint organization. As the size of groups grew so too did the number and the complexity of the themes of local interaction, through which change and continuity emerged. These initiatives inevitably involve disturbing and interrupting the temporally established dynamics of how I used to work and relate to others including my role, rank or responsibilities before the merger. These changes, I conclude, gave rise to the emergence of new dynamics of working and relating to each other in our reorganizations. Finally, I now see power emerging as an enabling constraining feature of my interactions rather than how I used to reify and locate it in headquarters or individuals. This is reducing my previous feelings of feeling a victim of M&As.

Chapter 4 Making sense of Identity and Loss through M&As

Introduction

In previous chapters I presented my understanding of complex responsive processes including 'a more paradoxical way of thinking about organizations in terms of the simultaneous activities of abstracting from and immersing in the experience of local interaction (Stacey, 2010). Local interaction is thus central to the exploration of change and continuity in my experience of M&As. In chapter three I discussed power as a particularly dominant theme of my experience of change and continuity through M&As in relationships with old and new department heads, managers and co-workers and new roles and responsibilities. The patterns of power relations also took the form of figurations of inclusion and exclusion (e.g. who stayed on, in which role or who were made redundant) which conferred identity on us and also the combined businesses.

Explorations of identity issues associated with a sense of loss as other particularly significant and related themes of my experience of M&As are the focus of this chapter. I reflect on how the emergence of my sense of identity, continuity of patterns of relating to others and change in these patterns through M&As are strongly related continuing to emerge and evolve.

4.1 My initial understanding of identity

I had my first business card in 1983 when I first started working at ITT - the British subsidiary of International Telephone and Telegraph of America. I felt proud seeing my name and title printed next to the elegant company logo. My card and pay slips formally linked me to the Technical Department which I also felt proud of. My desk was located among the more senior colleagues and Tim, our department manager, made me feel great.

However, the following year, STC acquired ITT. The company name and logos all over the site were changed, desks and offices moved around. Tim, my manager and our chief engineer, who had approved my company sponsorship to study at university, was made redundant. Up until then I believed that through sheer hard work, I could shape my future and contribute to the organization I felt proudly part of. The shock of the acquisition and Tim's sudden redundancy, shattered my vision of what I had perceived as the stable aspects of who I and the people around me were and how we all fitted in our organization.

Since then, I have experienced eighteen other M&As including Italian, Canadian, American, Danish, French and Japanese acquirers, each with similarities and differences. The similarities include how all these M&As were announced as initiatives for growth and/or improvement. Rarely did the changes emerge as per the announcements. All these M&As caused me anxieties about my role, relationships and the future. The differences however include how each reorganization was undertaken e.g. their degree of secrecy, scope and timing and the issues, outcomes and the nature of the conflicts that arose. Other differences were how the conflicts and disagreements were negotiated / resolved under their own particular circumstances.

At the earlier stages of my career, I believed that only the weak and the underperforming companies would go under or get taken over (Manne, 1965; Jensen and Ruback, 1986; Burgelman and Grove, 2007). This way of correlating hard work to ensuring survival and success had become part of my thinking. To build my future simply meant joining a reputable company, working hard and all should be fine. M&As though shattered this illusion because we were acquired when successful, when our company was broke and bankrupt and even when we were just chugging along. I was made redundant as a member of the acquiring side and did not expect it, and yet was kept on as a member of the broke and bankrupt acquired side with my name on the redundancy list.

In the following sections I explore my evolving understanding of identity as a major theme of my experience of change and continuity through M&As. I reflect on my difficulties regarding views about identity in relation to cultural complexities in cross-border M&As (Kyvik, 2011) and 'redefining or shaping' of new identities for combined entities (Peters and Waterman, 1982). Some (Balmer and Dinnie 1999, Watson et al, 1999) argue that many M&As fail because of the inadequate attention to 'soft' issues which include employee morale and retention, corporate culture, and integration speed and momentum. Similarly, Rosson and Brooks advocate 'the establishment of a strong and clear corporate identity' as a 'success factor in M&As' (2002: 5).

All the authors cited in this paragraph take an organizational scale view of identity applying statistical analysis correlating 'success of M&As' to managing identity issues. Between them these authors drew upon 92 M&As as 'case examples' presenting 'how-to' findings that used to make me think that identity issues in M&As were manageable! But my lived experience of M&As contradicted my perception of the above articulations about the identities of me and the organizations I worked for. I had perceived my own identity and those of the organizations I was working for as separate and stable. Yet in M&As identities always felt interrelated and fragile. In reading in the mainstream literature, the stability of an organizations identity was related to their technologies, resources, manufacturing capabilities as well as how closely the members worked together and also to how their competitive position and relationships with our suppliers and customers had evolved (Hamel and Prahalad, 1990; Collins, 2001). And as will be explained in the following sections, I felt as though even these relationships were affected in M&As in ways that I could not foresee. So In the first part of this chapter I reflect on how I used to and am now making sense of identity issues living through M&As. I include my growing sense that identity is a theme of my relationships (Griffin and Stacey, 2005). Also discussed are the complex dynamics sustaining and transforming these relationships, the securities I perceived they were affording me and how these were affected through M&As.

4.2 My earlier perceptions of identity and the M&A literature

It is appropriate to start by briefly providing more details about the encroaching dissonance I was sensing between my experience and the mainstream views about identity issues in M&As. I will do so by relating my emerging perception of the literature on the subject. I will also describe how complex responsive processes began resonating with a wider range of my experience. The narrative below is a good starting point.

Attending British Academy of Management 2008 Conference: Organizational Identity

A Special Interest Group session was titled Organizational Identity. A motivation to attend this session was due to my nagging feelings of anxiety about inadequacies that I had often felt about my experience of identity issues during M&As. I was also interested to talk to others about their experience of what organizational identity meant for them and to have conversations with others about their experience and the mainstream explorations in general. I believed such conversations would be helpful in offering new perspectives on how others were making sense of their experience in similar circumstances.

A major theme of the presentations at the conference was how the traditional definitions of business activities have been changing. The presentations and the presenters also frequently used phrases in relation to identity including organizations' *core business* and *space* as if these were tangible things. I had always had difficulty with both notions. Let's first take to the former. To me, core business had come to mean a conceptual construct intended to express the most important activity of an organization.

Collins (2001) had used 'core business' in his study that defined companies as 'great' if after fifteen years of continuous good results, they had produced another fifteen years of great results. The list was eleven companies perceived as great. Collins concluded that such greatness depended among other attributes, on personal humility and professional will, being passionate about profit, a culture of discipline and entrepreneurship and pursuing their core business of their selected technologies. However, six years later, Burgelman & Grove (2007) pointed out that, eight of the eleven great companies had either been acquired or underperformed, leaving only three: Abott, Nucor and Walgreens. Before Collins, in a similar study, Peters and Waterman (1982) published their list of forty three excellent US companies. The list of attributes that qualified companies as successful also included a focus on a core business. However, five years after this study, twenty eight of the forty three companies in the study had slipped from the pinnacle and gradually disappeared either through M&As or bankruptcy.

Two years after Peters & Waterman's book, Goldsmith and Clutter (1984) published a similar list of the excellent UK companies which included Woolworth, Racal, Jaguar, British Leyland with similar attributes including a focus on core business. Most of the companies on this list suffered the same fate as their America counterparts. Later, Heikkilä and Cordon (2002:183-193) had drawn on core business in the context of helping managers 'make decisions about outsourcing'. They argued that managers of large corporations can support their outsourcing decisions in the context of keeping core businesses in-house and outsourcing non-core activities. They advocated more 'creative ways' to evaluate an organization's variety of core competencies using four 'successful companies' to draw examples of core business for making decisions on outsourcing. They concluded that an organization's 'success depends on imaginative definition of core competence structures and outsourcing only non-core activities'. For me this is still prescriptive.

Kay (2007:2) taking a more critical view describes how in the late 1990s 'in the merger market, hope springs eternal. The wall of money chasing alternative investments in hope of [higher] returns .. made it possible to acquire any company' by linking the acquisition decision to core business. He also describes 1960s and 1970s as defining years for many manufacturing companies as they realized difficulties in 'core business' and sought to address the problem. IBM and ICL as manufacturers of computers moved to software development. In telecoms (Kay, 2002) too service providers e.g. British Telecom, moved to manufacturing. Conversely equipment manufacturers e.g. Marconi had become 'meta-fund managers' (ibid).

My point here is to do with relating core business and identity of businesses. It seemed that it was not just me having difficulties with core business as if it is a fixed concept because these shifts (also indicated in the literature) meant shifts in identities. In my personal experience, the companies that had acquired us as STC (an optical fiber manufacturer) were Nortel, a Canadian local telephone company whom I had always known as our customer / user of our products. In my understanding Nortel's core business had been providing telephony services for their customers by building, running and maintaining a communication networks using many products including ours - providing and running telecom services is different to manufacture. I also felt this acquisition was somewhat offending/belittling the 'core skills' that my colleagues and I were so proud of. I wondered if Nortel were diversifying (through M&As) into manufacturing telecom products as a related business. But, I was so surprised when in less than two years Nortel sold us off to Pirelli, whom I had known as an Italian tyre maker. Pirelli then sold us off a year later to Alcatel, a French conglomerate who had started off in locomotives and building power stations. The other surprising acquisitions were those by AXCEL and GN, both Danish pension groups – GN had acquired us when we were doing well and AXCEL took us over when we were declared bankrupt. So it seemed that the meaning of core business had become managing businesses.

I could relate to how technological progress might blur the more traditional industrial classifications, where some managers might contemplate the merging of almost any operations. So I could somewhat relate the theme of the BAM conference in 2008 to my own experience in the context of these M&As. But the conference presenters went on to also discuss redefining companies' new identity through M&As which was intriguing. During the breaks, in our conversations, words linking company identity with notions such as digital and space invited the notion that if a company is doing something digital – and few modern companies are not – everything digital is related to their business. The irony was that this way of talking was not just at the conference. I recalled attending meetings where our executives were encouraging us to identify combinations as in telecom equipment manufacturing and software or computing. Discussions at one such meeting had led to the acquisition of Optran in 2000. But as things turned out, Optran was hurriedly sold off two years later (Wilbrod, 2005) when things had not worked out as envisaged.

Even at our discussions at BAM 2008 conference, people were referring (just as I had been) to identity as something concrete and manageable. They reminded me of Huntington's (2003: 3) views on identity. He had used the metaphor of a tomato soup flavour in relation to the American identity and contrasted it with that of a tossed salad of multiculturalism in Europe. The blending of new ingredients argues Huntington, adds spice and richness but the essential character of tomato remains distinct in the soup. In Huntington's view, whilst US has been referred to as a melting pot, the character of American identity, defined by the white Anglo-Saxon Protestant settlers who wrote the original US constitution and founded the original institution remains distinct. In such articulations, even Huntington seemed to portray a static and rather universal view about what Anglo-Saxon Protestant means to everyone in that things have not changed since the arrival of those early settlers. These are aspects of what I called edging / creeping dissonance in my experience about identity issues and some of the literature I had come across.

So far my focus has mostly been ‘abstracting’ but in the following sections I will focus more on ‘immersing’ (Stacey, 2010) as I present how in living through M&As I increasingly began to reflect on what I was experiencing, my earlier perceptions and the literature. I will draw on the identity issues in terms of ‘the dynamic of inclusion and exclusion’ (Mowles, 2011: 140) and the enabling and constraining aspects of relating to each other and how our ordinary daily local interactions give rise to sustaining and transforming our familiar identities which M&As often disrupted.

4.3 Differing views on identity

In 2000, NetTex acquired their competitor, INET. In the reorganization that ensued, I ended up reporting to Adam. He was INET’s sales manager prior to the acquisition, i.e. my opposite number at our competitor. I had developed a dislike for Adam. Whenever our paths had crossed, mostly in bidding against each other, I had felt that he had distorted and ridiculed me, my products and our company.

After the acquisition I thought that things between us would be different because I had assumed our relationship would become those of collaborating colleagues. But I was wrong. Soon after a heated row following a joint customer visit to Vodafone, I was made redundant by the UK division of the company. I had asked Adam why he was making decisions about development issues for Vodafone, without liaising with our development engineers. He replied: I have a business to run, a target to reach and have no time for coaxing people. They can either develop it or we’ll release them and hire those who can. I then said that neither the business nor the sales targets were his alone and our colleagues were not disposable objects. Our conversation degenerated into a major disagreement.

As part of the post acquisition reorganization to reduce costs in all departments the HR department had sent a message out to all line managers to nominate who they wanted to keep. Adam as the new department manager did not include my name on the list that he sent to HR. I was subsequently made redundant even though I was a member of the acquiring organization and had not expected it. I felt ashamed to tell my family. Adam and other INET managers who used to be our competitors, whose business we had acquired, had become part of the organization that I loved and proudly worked for. My redundancy changed things. I hated the joint company and was surprised how rapidly my feelings about the company I had been proud part of, were changing.

I reflected on how different this acquisition was, compared to my first experience when in 1983, ITT was acquired by STC. Then, despite intense anxieties and the shock of how vulnerable my position felt, I was kept on whilst my manager was made redundant. But this time despite being more experienced and competent in my position, I was made redundant. I kept wondering if my exclusion from the new organization was simply Adam's doing or if there were other reasons that I had not been aware of. I wondered if I would have been able to continue working under overt hostility from Adam, or if things between us would have eased or intensified, how long would it have lasted and what my future prospects might have been. Just thinking about these issues was taxing.

However, quite unexpectedly, Lars who had been appointed as the new Network Monitoring Division's President called the following week and offered me a job in his division. I accepted happily but was confused at the same time. This is because my perception about M&As was that they were rational corporate decisions but my reality seemed very different. To me being rehired by Lars felt more of a tribal matter i.e. Adam didn't want me in his camp but Lars did. I laughed when Lars, unbeknown to me, in a memo to announce my assignment stated that: 'Farshid's assignment is in line with developing Network Monitoring business as part of the acquisition strategy'.

In announcing the Photonetics acquisition at Puerto Rico, Tony (our VP) had formally declared that everything would be made transparent, and that, in Scott's (1992:6) terms, there would be no 'hidden transcripts', referring to redundancy gossips that were emerging. I then recalled how Ian, a colleague had told me 'you don't know our Tony' when I had protested that Tony might be telling the truth. But later I found out that it was Tony who had appointed Adam with a brief to 'streamline' the organization as he deemed fit. And so I was being made redundant by Adam and then re-hired by Lars whom as I later found out, also despised Adam. I was confused about who I really was, or was becoming. At times my identity felt closer to a pawn but even as a pawn I seemed to have found my way to the 'right' tribe and felt as though I had a place.

When at the BAM seminar, or generally in the literature people talk about M&As they also discussed creating the 'right identity' for the combined businesses. While talking in terms of an identity for the merged businesses might be easier, it takes away attention from the details of how our individual and collective identities emerge through local proposals and initiatives including integrating operations of the two organizations. But as soon as these proposals and initiatives are to be implemented as gestures 'in everyday organizational interaction'(2002: 5), conflicts potentially arise in how each particularization is perceived and influences us.

Scale dependency of my role in M&As

In the above narrative, combining the two pre-acquisition Sales departments was viewed and formally described as optimization. However, for me in that particular case, it led to me being made redundant. In using the word optimization or rationalization (e.g. HR department memo above), they were disguising my redundancy as reducing overhead counts. My identity in the context of my conflicts with Adam, despite my technical and product knowledge was defined differently to that in relation to Lars. In Adam's memo to HR, Farshid did not fit in the post-acquisition organization, whereas for Lars, Farshid did. For Adam, development colleagues and I were minor details when making promises to Vodafone, compared to growing the sales figures and market share of the post-acquisition company for which Adam had become the new Sales Director.

With Adam as my manager, the meaning of our organization changed for me as I began differentiating my future and that of the joint company, as they no longer felt the same as they used to. I felt my fate and the joint company's interests and destiny, becoming different. The meaning of the company, what it stood for, how I related to and felt about the combined entity was changing. I was separated from previous colleagues and had to report to a new boss whom I disliked. It was as if the acquisition had transformed what the organization had been to me. My point here is the significance of relationships and how our products and technologies had become trivial issues for me and seemingly for others too.

Adam's response to my question following our joint visit to Vodafone about not including our development colleagues in the above narrative, had been that 'he' had a business to 'lead', a target to reach. He continued 'they either can develop it in the time required or they'd be released and we would hire those who can'.

His response made me feel that he saw himself and his role as more important than me and my development colleagues. His remark about firing them was domineering and out of what I considered the norm and had been used to prior to the acquisition. Some people might see more sense in Adam's style. Discussing development time scales and costs was, for me in pre-acquisition times, necessary before responding to customer requests for features we did not have, or committing to a time or price. It might be personal idealizations, but I liked our old ways of working with each other and saw my role in sales more as that of matching customer expectations and our capabilities. This, I thought might also be how customers perceived me and hence us/the company and thus, I hoped, identified with us as democratic.

Bennis (2009) articulates dealing with people in modern organizations as being like herding cats; and cats won't be herded, he reasons. Is this what Adam didn't want to do? I felt that developing the new software features that Vodafone was requesting was a complex task for which we had little idea. To be more effective Bennis elaborates, when there are no universal recipes for success, modern managers' time is best spent persuading and gently coaxing the best from people. But that is not how I saw it. I wanted my colleagues' opinions not to herd them as cats. Nor did I view my colleagues in the (consumable) disposable context which Adam had inferred. It was as if he intended to just call recruitment agencies and get some more engineers of the 'type' he wanted. I did not want to subscribe to Adam's ways of thinking. What I had viewed as beginning a new chapter in our relationship as my boss, to become positive and constructive, turned out as Adam's decision to add my name to a redundancy list. I had never felt my identity as so transient and dependent on other people's actions and whims.

But just as ironic was how Lars' invitation to return to the organization changed matters. I felt another new meaning emerging for what I considered the joint organization. However, in the post dot com era, the whole company was declared bankrupt a few months later. Lars and Adam, along with many senior managers were made redundant. I was one of the 400 people out of the 4000 who had been kept on when AXCEL acquired us the following year and a whole new set of relationship dynamics began emerging. I will return to these later but the point I am making in this section is the complexity, temporality and fluidity of perceptions and experience of identity, my own, others and the organizations we were part of.

Next I present a summary of typical approaches in the mainstream M&A literature about identity. I then present how a complex responsive processes view is helping me make sense of a broader spectrum of my experience of living through these activities.

Organizational scale views on identity

According to Jenkins (2008: 7) 'identity has become one of the unifying frameworks of intellectual debates since 1990s'. Identity as a term is whatever makes something or someone recognizable either in terms of possessing a set of qualities or characteristics making them distinguishable from others. In psychology, Leary and Tangney (2003) in the context of individuals' perceptions of themselves, suggest that identity is 'the capacity for self-reflection and the awareness of self'.

However, many books over the past 25 years (Stacey and Griffin, 2008:66) describe corporate identity in the context of promoting a company's image as a marketing tool. Identity has emerged to mean attributes of a company that managers would like to promote as in technology, service or quality. In this context, for some 'identity is how a company thinks about itself and would like to be viewed by others' (Rosson and Brooks, 2002:3). In reading Rosson and Brooks' views I understood that for them organizations can think about themselves similarly to how people do, and identity is reified as something that we can view. Similarly, Dutton & Dukerich (1991) argue that organizational identity is an aspect of 'corporate character, personality, and culture'. Here identity is being reified. Even more so, Balmer & Soenen (1999) propose 'the acid test of corporate identity management' for senior managers, consultants and scholars is to avoid 'pitfalls which they can face when designing corporate identity change strategies' (ibid, 1).

In the context of managing and measuring Margulies (1977) and Anson (2000) explore corporate identity as an asset to be managed at the highest levels of executive seniority. Taking a quantitative perspective, Rosson and Brooks (2002:6) quote 'estimates .. of the cost of developing' a new corporate identity at between $5 million and $50 million' with the largest clients being 'global companies and result from M&As' (ibid). The authors report that:

> 'M&As generate a large portion of the work of corporate identity and branding firms [with some of the] thorniest issues for [corporate identity makers] relating to M&A work, since the merging companies often have proud histories, distinct cultures, and marketplace value that cannot be ignored. At the same time, it is often not possible or desirable for both companies' identities to continue on a go-forward basis. (ibid :7)

Organizational level approaches are common in M&A studies. Seo and Hill (2005) identify six theories (Anxiety, Social Identity, Acculturation, Role Conflict, Job Characteristics, and Organizational Justice) to account for problems in managing M&As. They argue that these theories (implicitly or explicitly) feature in all the M&A literature and integrate these theories into 'one conceptual framework' which leaders can use to systematically intervene and smooth the human integration process. But such approaches give me a sense of generic controllability that managers can 'fix' any human issues. In my experience, relationships were never fixed and certainly not manoeuvrable like physical objects might be. General, rational and organizational level abstractions do not include the sense of local experience and continuous presence of potential for disagreements, transformations in cooperation, resentment, and power plays as I sense in my normal everyday activities. And these normal everyday activities influence how I perceive and interpret events dynamically affecting my own perceptions of identity. They also influence how I identify with others at or outside work which also changes the meaning I might give to a combined organization. Some recent studies propose a 'new definition of corporate identity as a product of human organizing processes' whereby corporate identity is not only the organization's but also relevant to other actors a company interacts with (Peverelli, 2009: 8). The question this view raises is in relation to who: employees of the company or 'external' collaborators? If they mean employees, it implies the company has an identity independent of its employees! So in the next section, I present a complexity view of identity issues in M&As and how this began resonating with my experience.

4.4 Identity in M&As as Complex Responsive Processes

What emerges through our normal everyday interactions, includes themes that I describe as my narratives of experience. My experience of identity in M&As is co-created and emerges, reflecting largely unconsciously, the histories of my interactions and how they feel different because of, or influenced by these activities. My narratives may under different circumstances, reflect how I might find the changes I sense as interesting, boring, shameful, shocking, disgusting, exciting or stimulating. I might relate or compare these changes to the pre merger times which had been our 'ongoing temporal processes of interaction' (Stacey and Griffin, 2008: 12) which would have had certain familiarities for me and probably also for those I worked with. It is in these 'ordinary experiences that selves and identities are iterated, and potentially transformed, from one present time period to another' (Stacey, 2005: 3). As such, the changes I might describe are the changes in our pre acquisition processes of communicative interaction which I used to identify with as similarities or identities. Such a sense of identity for me is not a thing separate from or outside of me or the people I work with. This sense cannot be acquired or transferred from any individual or group to another.

My experience of being with others in pre and post merger times is influenced but is not something that can deterministically be managed. What were transferable and tradable were the tools, technologies, patents and the artifacts that we were using in each business. And many M&A studies explore and advise on optimizing M&A transactions (Williams, 2005: 19). However, in my research I am making a clear distinction in that such transactions were part of and influenced rather than determined how we worked together in both pre and post mergers times.

In the remainder of this chapter I will elaborate on how I am now acknowledging my understanding of identity as social, not physical or like an 'it' deterministically changeable or redefined through M&As. Although my identity is not a thing to be found in the physical world, there is nothing more real for me, than my experience of identity - be it at home, at work or through M&As. It now becomes necessary to present in more detail how I make sense of identity formation and transformation processes (my own and the organizations I might belong to or get fired from in an acquisition) and how these processes and perceptions influence my experience of change and continuity through M&As.

Further reflecting on my redundancy and relationship with Adam

As previously described, the role in which I felt Adam had cast himself, was one in which I neither felt comfortable nor saw as appropriate for our business. My colleagues and I were not widgets that he appeared uninterested to communicate with. I saw his dismissive stance towards my suggestions as manipulative and domineering. In my view a better approach might have been to involve and connect with us - 'join the conversations' (Shaw, 2002) and become aware of others' views and how we used to do things before the acquisition, and if need be suggest changes. For me the successful delivery of a solution for Vodafone depended on the contribution and efforts of many of us not just his decree. Prior to the acquisition our business had not been about magisterially ordering people around. Shaw invites us to acknowledge that multiplicity of contributions and participations in ordinary conversations matter as essential to progress in working together.

The distinct capabilities and initiatives I deemed appropriate for the success of our business, at least in our pre acquisition mode, had emerged through relating to each other as teams rather than in directions from larger than life personalities.

I knew most of my colleagues and we used to socialize outside work. Even at work each of us belonged to groupings of software engineers, hardware designers, mechanical specialist, finance or administration. Even in these groupings there were sub groupings, such as, telecommunications, electrical, mechanical engineers and even within that there were further sub-groupings, e.g. telecom transmission engineers. All of these groupings had given rise to certain 'we' identities in the pre-merger period, providing us with a different sense of identity or selves. We also dealt with customer requests prior to the acquisition but not in the manner Adam saw fit. Some customers used to be ex-classmates, neighbours, long term acquaintances, suppliers and also belonged to yet other circles or groups.

Even our customers consisted of other sub groups, such as the major accounts, export or OEM customers. These too influenced aspects of our identities, albeit more of a transitory form of belonging to other organizations. For all of those people mentioned so far, our identities constituted how they identified with us, and in return we with them as well as to the wider society. All these people and I, interacted with each other prior to the merger in somewhat of a coherent manner to me. In our continuous everyday interactions, each of us had the largely unconscious capacity to take the attitude (Mead, 1934), the tendency to act, of all the others in our pre-merger organizations and social groupings. I may have had certain expectations of what will happen when I worked for or dealt in some role (e.g. customer or supplier) with each other. I had certain expectation of how engineers, technicians or the sales people might behave. And so do all of these people of me and of each other.

This made my pre acquisitions interactions make sense and feel coherent for me. All sorts of things change when new faces are first introduced as is the case in reorganizations. Both the new members and the existing ones behaved, and approached each other with much higher levels of uncertainty, perhaps apprehension or excitement. Whatever these were, they were very different sorts of responding and behaving towards each other than those with established colleagues and more familiar faces. My point here is that it is not just simply who is the most experienced or appropriate for which position who might improve productivity design or sales. Reality is often more complicated than the simple case of who fits which box best, who should become the manager, who gets fired and how duplicate operations are combined to reduce costs, improve efficiency or profit. This as the above narratives show (Joe, Adam, Lars, me) is because usually there is more than one local agenda that may well clash with another and other relationships.

Furthermore, as individuals we didn't have identical values and interpreted matters differently. We therefore had to somehow negotiate our way through sometimes unbearable, conflicts in ways that inevitably and continually transformed our identities. This became more pronounced under post-merger reorganizations when how we had related to one another had changed often becoming more severely restricted by shifts in power relations. These emerged during initiatives including new appointments, restructuring departments, introduction of new accounting, marketing or production and what used to have been normal operations. Under those normal circumstances I behaved and tended to respond in certain ways but following reorganizations, I was more apprehensive how to interpret, comply, or at least be seen to comply to new policies, codes of conduct or practices.

Our identities were accordingly temporally sustained in the recognition of many in our pre-merger groupings. When I was a NetTex sales manager before the acquisition, I needed to find out what, under the new organizational hierarchy being a sales manager means, where I might fit in, who I was working with or for. Under such accentuated ambiguities, my behaviour might have appeared normal or unfamiliar for others. Compliance under the joint organization often meant submerging certain personal values that I was feeling to avoid redundancy, or as in the above case I lost my job. But as things emerged thanks to Lars, I managed to get back into the organization in a new role and formed new connections and alliances. These responses were all important aspects of who I was, who we were and how we got on together. The point being that identity was not a physical thing out there apart from me, but rather multitude of local interactions through which my identity was being iterated and emerging. Yet my perceptions of the literature (Rosson and Brooks, 2002; Spaeth, 2002; Lerbinger, 2005) had been of something that could be designed or special consultancy firms could 'shape'. In the context of the following narrative, I next elaborate on the influence of power on identity issues specifically how the change of power dynamics also influenced my perceptions of who I was becoming.

4.5 Power relating and identity

Following the Britsu acquisition, the redundancies of my pre-merger managers and despite feeling hindered by Mr. Morimoto, my new manager, I still wished to hold on to my job. I felt that I must conform enough to what, under the new owners, the new ways of working were becoming. The following narrative is intended to highlight aspects of working under new management and the evolution (rather unexpectedly) of new dynamics of relating to each other that not only challenged, but also became aspects of my new identity and promotion to 'sales director-middle east and Africa' at Britsu.

Setting up Dubai Office

After a few rounds of redundancies, in 2006, I was tasked with setting up an office for Britsu in the Middle East. I was told that selecting the best location was the first item. So I spent weeks travelling around, gathered information about merits and demerits of many countries and prepared a presentation for a board meeting. In my slides I had presented cost analyses for office rent versus purchase, admin staff salaries, ease of exit and entry visa, work permit procedures, regional, international flights, connections as well as estimates of telecom market size and competition offices in the region. Dubai was not on my short list of my recommended locations for setting up office.

At the meeting, just before it was my turn to present, Mr. Yamaguchi, our senior vice president, sat next to me, pulled at my sleeve and whispered 'Farshid san, we would like to have a Dubai address'. Based on my previous experience of working with Japanese companies this was a very unusual and direct approach. Up until that moment, I had always felt an outsider to the new senior management of the acquiring company and felt lucky that I had not been made redundant like the other NetTex managers. I felt stressed because my recommendation was based on cost and business analysis, but now I had a senior manager's request to consider which contradicted my conclusion.

So I asked if I could leave the room taking my laptop with me. I ran to a quiet corner of the corridor and quickly modified a few slides and changed the last slide to read Dubai as my recommended location.

I rushed back to the room and quickly went through my slides and stopped at the recommendation slide. I noticed Mr. Yamaguchi's nodding of approval followed by endorsements and acknowledgements of all others. By responding positively to Mr. Yamaguchi's request, and the positive response of others, I suddenly felt more included, safer and less concerned at 'cheating'! I recalled Elias and Scotson (1994) exploring the differences in power and rank between two similar groups. What was going on for me felt like what had been the case in The Established and The Outsiders, with the acquiring Britsu management as one group and me as a member of the other group. Britsu management, as the new owners, through the acquisition had the right to make the previous management redundant (exclude them from the new organization). And I felt, if I had not complied with the request, I too might have got excluded. The acquisition in changing the groupings, was also changing the power relations and identity.

Reflections on above meeting:

Dubai I had considered as an expensive office location, and in this modern communications age of remote working, location was less important. But that I thought was ‘my’ conclusion, based on my costing and calculations. I spontaneously reasoned with myself at the above meeting: who am I to discard the vice president’s request based on personal arithmetic? Or was I seeing supporting Mr. Yamaguchi’s initiative as a way of gaining additional recognition and possibly job security? M&As interrupt previous temporally established power relating and bring about new ones. Just who emerges under the reorganizations, in what role under what circumstances makes a difference to power issues that also retain or transform our belonging and hence aspects of our identity. Inclusion and exclusion then takes on new dynamics that requires some degree of conformity to the new management’s thinking. I wasn’t sure if this is what I was unconsciously doing by agreeing to Mr. Yamaguchi’s request. I felt that those who do not or cannot conform might well end up excluded or find themselves belonging in other groupings and hence different identities. I interpret it as my ‘choice’ to accommodate Mr. Yamaguchi’s preference.

Dubai as his first choice was against what I had arithmetically considered would have been a more pragmatically balanced business decision. But I let go of that view as my value at the time. After that meeting I suddenly felt more recognition in the organization and was copied on many new issues which I had previously not been. Combining organizations influences the emergence and sustenance of what I perceived as my identity as an outsider to the new management. Acquisitions change the temporally established processes of identity formation more so due to often unexpected ways new dynamics in relationships emerge. Who I felt I was depends very much on the groupings I felt I belonged to - not just to the names in each box of the organizational charts before or after the merger.

M&As often involved reorganizing operations and departments mostly by the new owners and/or their representatives. I now see these in terms of their gestures about new ways of working together. How I had responded in conforming or otherwise to these various gestures or had felt at various stages, had not been predictable even for me. This, I argue, was because compliance or non-conformity to the new procedures/practices was potentially redefining and/or threatening the established ways and hence our identities. Another consideration is that these were processes and power relating was an aspect of these emerging processes. The new management had relative power over me. Their gestures induced changes in the prevalent discourse which used to serve the purpose of sustaining our previous patterns of power relations as in me reporting to Joe, Morimoto, Adam or Lars. Changing these patterns changed the pre-acquisition ways provoking threats to my identity which the previous power figurations had temporally established.

I have been referring to usual ways of working or behaving prior to acquisitions. I therefore ought to reflect on ideology. It is ideology which had made the pre-acquisition ways of working together normal. It is 'unconscious ideology that makes the existing pattern of power relations feel natural' (Stacey and Griffin, 2008: 12). So as another important aspect of my explorations of this chapter, I will next explore identity in relation to ideology in the context of this narrative.

4.6 Ideology and Identity in M&As

> I flew out to Utica to attend a design review meeting at NetTex. I checked in the hotel and quickly hung up my suit and shirts hoping that the creases would fall out by the morning and they wouldn't need ironing. The next day I went to the office in my suit. I saw Lars (Operations VP) at the water cooler at the reception. Lars, in T-shirt, shorts and trainers, greeted me warmly. Noticing his clothes, I apologized, and asked if I had messed up my timing, or if it was the wrong day. Lars laughed and explained that he had done the same on his first day there and that suit and tie were 'out'. He advised me to go back to the hotel and change into something casual for the day.

For all meetings at Japanese companies, I had been told that attendance had to be in suit and tie., At these meetings, even the seating arrangements were demarcated. Sitting at my designated seat at the Sumitomo design review meeting in a suit was what I was doing in complying with their norms. Similarly attending in casual wear as Lars had advised was also complying with NetTex norms. In earlier narratives, one about a joint visit to Vodafone with Adam, I challenged him, but in another, I accepted Mr. Yamaguchi's request to recommend Dubai.

Throughout my work life, I have continuously been making choices between one action and another. Such opting may at times be on the basis of conscious personal desires and intentions, and at other times be unconscious, or habitual (Hodgson, 2009: 3-6), impulsive, obsessive or even compulsive. In other words, my actions are a mix of evaluative choices – sometimes more conscious and intended, at other times, less so. In chapter two, I elaborated that the criteria for evaluating choices are 'values and norms which together constitute ideology' (Williams, 2005: 19). Both Lars and I, it seemed, wanted to fit in with NetTex ways which included respecting their dress codes. I also had observed the advice of my Japanese management to wear a suit and tie for the design review meetings. I had also learnt that a combination of the western handshake and Japanese bowing was deemed polite and respectful and got me a lot of credit.

All human interaction is evaluative and influenced by social norms. Norms as described previously together with our values provide the criteria for choosing between desires and actions. Values may be thought of as 'motivational voluntary compulsions to perform one action rather than another' (Williams, 2005: 19). Values are more personally committed to criteria for judgments about our desires, the social norms of our surroundings and our subsequent actions giving our lives meaning and purpose. So values are generally adopted voluntarily. Ordinarily (non-M&A) and often through free will, people choose to continue working for an organization by coping with the paradox of putting up with certain disadvantages of staying and the benefits it affords. The disadvantages for me had related to the working with disagreeable seniors or peers, or commuting long distance for meetings, the pressures of the roles, as in the long or awkward working hours or pay. The advantages on the other hand had included a steady source of income to meet expenses of looking after my children, paying the mortgage, even the convenience and familiarity of my duties at work, expectation of better future pay, promotion and often the satisfying nature of my job.

Whatever the merits or demerits, my values motivated me to act toward what I had considered to be for the good. What each of us consider as being for the good, be it personal or social, arise and have the potential to be iterated in our experiences of social interactions that have become aspects of our selves. Such collections of similarly iterated behaving and responding experiences, that others form in their minds about me, and I in turn form in my mind of them, get temporally established in my imagination as wholes (Griffin, 2002).

These wholes do not exist as physical objects, but were, nevertheless not just illusions or fantasies. Such wholes were real in my ordinary interactions of being and continuing together as my experiences of my value and value commitments. This was how I, for a time, had come to identify Lars as a kind and intelligent manager or others as too ambitious or calculating. What I mean by wholes in such contexts is the felt continuity and coherence, the felt unity of my experience in working with people. Although values are generally durable, their motivational impact on the way we respond, is negotiated afresh and particularized to each situation as we assess and revalidate our individual and collective identities. As described in the above narrative, the difficulties I felt in reporting to new line managers, following the 2005 Britsu acquisition included particularizing what it means to remain loyal to previous managers and colleagues whom I respected, whilst at the same time, coping with the expectations and obligations I felt towards my new managers whom I did not know. I also felt very angry at the redundancy of colleagues whom I considered as good and competent people. Values are then ordinarily contingent upon the particular situations that we find ourselves in. Reorganizations transformed our ordinary everyday situations in unexpected and often unforeseen ways for members of both the acquiring and the acquired organizations. The basis of most individual choices, under M&A circumstances, can thus fundamentally get transformed.

The criteria I use for my evaluations, as the obligatory restrictions in what I ought or ought not do (norms) and my values as in what is good or right in ordinary pre-merger organizational life, were often transformed under M&A circumstances. Furthermore, M&As always impacted my emotional responses. Certain emotions, such as shame or fear of exclusion that provided constraining effects on some responses, took on new dynamics as my working environment changed. Other positive and reinforcing emotions such as feelings of being acknowledged, appreciated or self-worth that used to connect me together in the pre M&A organizational structure, too were often jumbled up. Other emotions including loyalty, respect for each other, feelings of being a team or a company, took on new meanings. Conversely feelings of guilt or resentfulness, or even dislike e.g. Adam and I, also changed. All the feeling that characterized me as an individual and my bonding as members of my pre acquisition group were disrupted under M&A initiatives. Such a perspective on norms, values, power relations all as social processes in which various aspects of my identities had arisen, therefore challenges the dominant discourse about identity, change and continuity in M&As. My identities in turn were formed and are formed by my daily local interactions which M&As often challenged and/or disrupted.

4.7 My sense of loss through M&As

I have reflected, through my narratives, upon power and identity issues as the dominant themes of my experience of change and continuity through M&As. The earlier narratives when I began this research programme seem to reflect many emotions including anger, frustration, a sense of loss and even grief. Furthermore, I am also beginning to feel less angry, less frustrated and less at a loss. Reflections about experiencing more anger, frustration, loss and grief at the beginning and less now, are explicit and ordinary articulations, as opposed to glorified declarations as if solving the M&As puzzle. Exploring these realities in my experience are therefore an important aspect of my research and hence subject of discussions in the remainder of this chapter. I also feel that this change in my sense of loss is also an important practical contribution of undertaking my research programme. Though my writing, thinking and PhD group conversations are not therapy, in this context, they feel therapeutic. So in the following sections I trace key historical experience of loss, grief and challenges to my values contributing to my enduring interest in exploring my experience of M&As.

A historic perspective on my experience

The early anger I felt was mostly against the corporate executives because I thought it was they who came up with M&A initiatives and then senior management were charged with implementing them. My anger was because M&As had always led to upheavals that not only seem to mess up my life, they also had not turned out as announced for the better. So I related reorganizations with the risk of redundancy for myself and close colleagues. Even with the continuation of my own employment, I felt anxious about the future, unknown new roles, positions or responsibilities that I might not like. The first two redundancy incidents relate to my immediate managers who had 'saved my life' (see below) in the United Kingdom as an overseas student when they had abruptly been made redundant in post-acquisition reorganizations. A short context to these incidents might better illustrate the significance of these redundancies to me.

I first arrived in the UK from Iran in 1979 as an overseas student. After my A level exams in 1982, I was placed for work experience at ITT. Following an interview with Tim, I was accepted to join the engineering department. Tim had a Masters degree in Physics (that I aspired to) and was the head of a recently set up section developing testing and manufacturing techniques for a new invention called optical fibers. He grouped Nick, Steve, Andrew and I to work on in-process testing including dispersion, bandwidth and attenuation. I found the work wonderfully stimulating as it allowed me to draw heavily on my studies. I enjoyed working with Tim and the guys who were all graduates. We often worked late, ate together, started a rock climbing group and arranged regular group weekend trips.

That summer I also experienced what has become one of the proudest moments of my life when we successfully installed and tested the world's first optical fiber route connecting Stevenage and Hitchin. A multimillion pound British Telecom contract endorsed the success of our installation. I felt honoured and important. Ironically, at the same time, I also experienced one of the darkest moments of my life. A war broke out between Iran and Iraq disrupting even the banking system which my father was using to fund my studies in UK. I was alone in my bedsit when the news of the war was announced on the BBC. A quick call home confirmed the news of the war, but at least my family was OK as they lived in Tehran which was far away from the war zone. Dad also said that he didn't know when or how he could send any further money. I used to receive the money quarterly and the last transfer was over two months ago. I dashed into the kitchen to check how much food I had left. The cupboard was empty and my rent and university fees were due soon. My hopes of finishing my university education seemed extinguished. With just a few hundred pounds left in my account, I rushed to the train station and bought a ticket to London envisaging scenarios on how the Iranian Embassy could take me under their wings. After all, I thought, embassies in each country are supposed to look after the interest of their citizens.

When the train arrived, I ran in the heavy rain all the way to the embassy and rang the bell. I straightened my soaking coat and waited. Eventually a man opened the door and as I quickly moved forward to get out the rain, he put up his hand up to stop me entering and said 'Yes ?'. I stepped back on to the street and as I began explaining my situation, he slammed the door in my face shouting 'You have to go back'. I stood in the rain, flabbergasted and feeling intensely insulted but managed to compose myself and rang the bell again. For what felt like a long time, there was no answer and it was getting dark, so I bent down to the letter box lid and called 'please can I come in …' but the man abruptly opened the door and said that he would call the police if I didn't leave.

I stepped back and stood in front of the door in disbelief about what was happening. I suddenly began seeing him not as fellow countryman whom I was asking for help, but rather as an employee of the Embassy of the Iranian government. Memories of the oppressions that my family and I had experienced, back in Iran under the heavy handed theocratic Islamic regime, flashed through my mind. We had moved house twice to avoid neighbourhood accusations and fabricated rumours about us 'spies' or 'communists'. I recalled how frequently my brother and I had to get up in the early hours of the morning to wash the graffiti that often included words such as 'socialists' or 'spies' off our front door before going to school. I recalled how we used to feel outsiders in our country of birth. After a further few minutes of disillusionment and feeling helpless standing in the rain, I clenched my dripping wet fists as hard as I could, and began walking away slowly. I vowed I'd never again stand in need in front of their door. That evening, before returning to my bedsit, I found a night job at a local restaurant near my bedsit washing dishes, as I could earn money and take some food back every night. I also stopped the weekend rock climbing that I loved, and took up a weekend job at a Christmas tree factory as a fork lift driver.

Reflecting on the night outside the embassy

In complex responsive processes terms, in 'their communicative interacting and power relating, humans are always making choices between one action and another' (Stacey 2008: 13). The choice I made that night in front of the embassy door was a resolve to disassociate myself from officials and to take personal responsibility for the remainder of my life and not to look to them for any help. By using words such as 'them' and 'disassociate' in this narrative, I am in Elias' terms referring to the way individuals consider themselves to 'belong to a 'clique', a social circle which supports him when necessary, but the groupings change.'(Elias 2000: 398).

Drawing on the work of Elias (1939), Stacey et al (2008: 12) describe how 'people form groups and label or name such groupings differentiating themselves from others in an 'us' and 'them' dynamic'. After two years in UK as a student, I still identified with the Iranian as a source of hope. 'These groupings establish feelings of belonging which constitute my individual 'we identity'. These 'we' identities, derive from the groups we belong to, and are inseparable from each of our 'I' identities.'(ibid: 11).

What I considered as normal i.e. to seek help from the embassy, is probably rooted in my life history as an Iranian by birth. But the expectation of help in what I considered my hour of need, disappointed me infinitely leading to my resolve of a disassociating response. This experience also reminded me of how my father too, due to his thinking which was not considered in line with those of the autocratic regime, despite working for forty years at his university, had always been an 'outsider'.

'Norms (morals, the right, the "ought") are evaluative criteria taking the form of obligatory restrictions which have emerged as generalizations and become habitual in a history of social interactions' (ibid:13). Up until that night, I was taking up the norms of the Iranian embassy to which I, historically felt a sense of belonging and this influenced how I particularized that as generalized norms in my everyday situations. I habitually ran to what I considered represented 'my group' for help. Elias' works (1939, 2000) describe how norms constitute major aspects of our personality and identity as interdependent people, but aspects of my values were particularly transformed because of the experience of that night at the embassy door. That experience emotionally scarred me, and dramatically changed how I valued my sense of identity as an Iranian. Values are 'individually felt voluntary compulsions to choose one desire, norm or perform one action rather than another' (Stacey et al. 2005: 19) and 'arise in social processes of self formation and self transcendence giving meaning to life' (Stacey 2008: 13).

When referring to complex responsive processes of relating, I make sense of these in terms of the complex emotions and motivations, as well as the spontaneity, imagination and improvisations which influence everyday interactions. I felt hurt, angry, frustrated and a dependent dunce. The anger was at how I was sent off from the embassy door, the frustration was in how I could do nothing about it. I felt a fool because I learnt how little importance I meant to the official at the embassy.

Returning to tracing the early years of my career experience ..

At the end of that summer in 1983, I wrote a letter to Tim, our chief engineer, thanking him for the great work experience and to inform him that I had to leave to take up the full time place I had been offered at Bristol University. This was hard to do as I only had managed to pay the first year's fees and could not foresee how I could possibly complete the course. To my astonishment and without knowing about my personal difficulties, Tim offered me a company sponsorship whereby ITT would pay my university fees. Tim then helped me with correspondence with the university admission, converting my offer to a sandwich course enabling me to keep my job at ITT and study. So I stayed on at ITT working with the same group focusing on developing manufacturing tests for the BT contract. The following year ITT divested this division that later became Standard Telephone Cables (STC).

Tim was made redundant in the ensuing reorganization causing me much upset. I was shocked and angry about the redundancy of a remarkable and dedicated physicist whom I greatly admired for his insightful contributions to the work. I was also worried about the fate of my sponsorship under the new organization. I tried to keep in touch with Tim after his departure but he never replied. Not knowing why Tim would not reply also upset me.

A much older, disciplinarian guy called Deleme took over as Tim's successor and to my surprise, also signed off the sponsorship that Tim had put in place. At first I was wary of Deleme's overtly anti-unions stance, but his intelligence, work ethic and genuine style rapidly grew on me. He often stayed on late at his office and would invite me for a chat. Later he also invited me to his family's Sunday dinners which made me feel great as I felt included as a family friend. Deleme was firm and serious at the office and would not heed continual requests for reports from the head office. He seemed to consider lengthy reports as less important than 'getting the job done'.

In the reorganization Deleme was made redundant. Neil was sent from STC's head office. I felt powerless and insignificant by such acts from the head office. I will relate this to my emerging sense of power at being located at headquarters/elsewhere. Neil had a master's degree in operations, was much younger than both Deleme and Tim and was tasked with automating cable manufacturing processes. Whilst I found Neil a quite pleasant and smart guy, I could not help associating him with the head office and his appointment as the ending of my relationship with Deleme, another great chief engineer.

Following the completion of my studies in 1987, I began working full time at STC as a senior engineer, with a salary increase. My first project was to set up a calibration lab to support the business growth. I was happy to work with Nick, Steve and Andrew again and resumed rock climbing and weekend trips. Our little optical fiber section where the three of us had first started had grown in only five years to half the factory with 200 staff. This made me feel proud as I saw myself as one of the originators of the optical fiber section. Nick had become the operations manager, Steve the manufacturing manager and Andrew, the chief of R&D.

Then in 1988, STC was acquired by Nortel of Canada. Nick was made redundant under the reorganization and moved to Scotland, whilst Steve, Andrew and I were kept on. Our rock climbing weekends stopped again. Under Nortel's reorganizations STC was divided into Submarine, Terrestrial, Defence and R&D divisions. The Submarine division was sold off to Alcatel of France, Terrestrial division to Pirelli of Italy and the Defence products division divested as Cogent Ltd.

Unhappy with the all the changes, Andrew left and joined Corning-Australia, Steve stayed on. I left and joined a start-up called Optronics in Cambridge as my first sales role. Part of opting for a sales role was how I felt engineers were treated as pawns in reorganizations often being shuffled by senior management. The fact that Nigel, my sales manager was also the MD made me feel as though I was nearer the top and might be able to better foresee or know what might be happening regarding jobs, reorganizations and or looming M&As. Nigel, sent me off for sales training in London, gave me a brand new company car and accompanied me on my first few sales presentations like a caring mentor. These were to me indications of Nigel's power as an MD because, he seemed to be able to do almost whatever he wanted. So I began to feel safer.

Although Nigel and I were of similar age, he had substantial sales experience and continuously coached and encouraged me, which felt great. I worked hard and exceeded my sales targets that year. Nigel was well respected by everyone at the company. Everyone else seemed to work very hard and also exceeded sales targets. However, the following year Optronics which was owned by a venture capitalist group was sold off to new owners which lead to Nigel's sudden redundancy. I could not face staying on at an Optronics without Nigel whom I saw as critical in what I identified with as what Optronics stood for. I left and joined Sumitomo Electric. Probably my departure was some sort of protest at how the new owners had removed Nigel, or that I saw my departure as a form of solidarity with Nigel and my co-workers whom I considered as mistreated by the new owners.

The pattern of unexpected departures of the people I worked with and respected, in this first half of my career (1982-1995), continued just as frequently and as unexpectedly in the second half. The temporality and interrelatedness of individuals' and collective identities felt for real and scaring. The use and selection of the words in my narratives, still brings home the sense of despondency that I may have suppressed or did not acknowledge. These dependencies were about my need of them for my identity and what I perceived as their need of me as the hard working team members that I identified with. I felt anxious about losing the support of close colleagues and seniors that I worked and socialized with. This is how loss of relationships, redundancies, reassignments or resignations in M&As appear as common themes of my experience of identity.

The fate of a calibration lab I help set up

Even the calibration lab that I helped set up as my first post graduation project was moved to Harlow when Nortel acquired us resulting in my losing contact with Simon. He was the team leader who was also made redundant. To set up the lab, I had asked Judith at HR to advertise for a measurements engineer in the national newspapers. The following week Judith dragged a huge sack into my office full of the CVs she had received following the newspaper advertisements. Randomly I picked a handful and just opened a few, quickly scanning them. Whilst most had included lengthy work experience after their graduations at famous firms, Simon had only put half a sentence: 'collecting shopping trolleys at Asda supermarket'. I gave Simon's CV to Judith and asked her to shortlist around ten candidates for interview and include Simon. At the interview I asked Simon why with a first class honours Electrical Engineering degree, he was collecting supermarket trolleys. 'It's a temporary job whilst I continue searching for a better job' he replied. I liked his honest reply. I selected Simon after interviewing others. Simon turned out to be a quick learner, enthusiastic, good with colleagues and customers. He became one of my top measurement engineers. I sent Simon on many training courses, just as Nigel had done for me. Later I appointed Simon as team leader. At times I wondered if, in supporting him in this way, I was ‘giving back’ what Tim, Deleme or Nigel had done for me as my managers. After the acquisition and before being made redundant, he found himself a higher paid job at a Greenwich subsidiary of Alcatel. This made me feel so relieved and happy. I visited Simon and his mother on a few occasions, sometimes taking my own children along. I wanted to stay in touch with Simon but our contacts were reduced to just exchanging Christmas cards and occasional phone calls.

I would imagine that with moving on to different jobs and ending up working at different organizations in different cities, loss of contacts and relationships whilst not totally inevitable, would certainly be more difficult. Of course the ending of relationships and people drifting apart are also part of human relationships that can happen ordinarily, but M&As often brought about loss of relationships in much more unexpected ways continuously challenging my previous perceptions of a solidly intrinsic sense of my own and people’s identities. But throughout I had a sense of loss and grief, which in part related to who I thought I was in relation to others.

Recordings of my narratives:

As a result of the frequency of themes of personal loss, anger, frustration and puzzlement and in trying to make sense of M&As, over the course of my career, I have accumulated narratives written over the years. Some particularly personal ones remain hurtful years on. My relationships with Simon, Andy, Tim, Nigel, Deleme or Nick were important to me - a lot more than the formal organizational labels suggest. Despite these personal aspects associated with M&As, I continued to think that at least some mergers can be ‘got right’ (Griffin 2002: 84).

Making sense of experiencing loss and grief

During my literature review on loss, I came across The Loneliness of Dying by Elias (2001) advocating the benefits for all of us of reflecting more on our sense of loss as he advocates the need to open up. It has indeed been difficult for me to open up and talk more freely about my personal experiences as described above. I was drawn more to Elias because of the general use of metaphor in the business literature about product life cycle and company life cycle (Pascale, 1990; Ormerod, 2007). These are much criticized as cliché but I wondered why decline, death and/or divestment are comparatively less mentioned in the literatures. Is this because they are denied? I also attended a personal presentation of Why Most Things Fail by Ormerod (ibid). He argued that businesses perish just as people do, yet most books are about the far fewer successes rather than more widespread failures. Ormerod argued that this outlook is deceiving and that failure is 'the distinguishing feature of corporate life,' drawing parallel between economic models and models of biological evolution, as a string of extinctions rather than survival of the fittest. Ormerod discussed economic theory and what he described as inadequate accounting for uncertainty which he articulates as the impossibility of knowing how policies or business strategies will work, as the cause of failure. His examples included concepts including power-law behaviour, game theory and bounded rationality, advocating the need for a better understanding of failure.

Whilst interesting as a read, for me Ormerod reifies failure, instrumentalizing it as a cause which must be explored more deeply. However, in undertaking my research and developing an understanding of complex responsive processes, I now see failure as perspective dependent and an outcome emerging through the 'interplay of our choices'- some intentional and conscious, some unintentional and unconscious, reflecting our norms and values being iterated in our local communicative interactions (Stacey and Griffin, 2008:39).

I also came across the works of Elizabeth Kübler-Ross, a Swiss-born psychiatrist who cared for terminally ill patients. She wrote (1969) about human reactions to loss or bereavement. Her approach has come to be known as the Kübler-Ross model (first introduced in 1969) and is used today by counsellors to describe how people behave when betrayed by their partner or when they are made redundant. I read her book both as part of my research but also to try and make sense of my own divorce. She proposed five stages of grief as a pattern of adjustment: denial, anger, bargaining, depression, and acceptance. People, she proposes, tend to go through these stages although not necessarily in sequence. The five stages have since been adopted by many (Esther and Green, 2004) and also linked to making sense of change management, market responses to financial calamity, bankruptcy and debt crisis.

I experienced what she calls the first stage of shock mostly when M&As were first announced. Back in 1987 for example, I used to think the mighty British STC as my employer was too powerful to be taken over by a little known Canadian company such as Nortel. But when it was announced that STC had indeed been taken over, at first I found it hard to come to terms with how wrong I was. Similarly in subsequent takeovers I found it difficult to believe that for example GN, a Danish pension group, when acquiring us would talk about long term investment and yet within two years they sold us off. But what I also found interesting was that I was not alone in being shocked. I followed the Financial Times surveys of senior executives including the interview of Chuck Prince, the CEO of Citigroup in Aug 2009. He was quoted as saying ‘so long as the music is playing, you’ve got to get up and dance. We’re still dancing’. This quote for me reflected the ‘temporally established’ thinking (Macintosh, Maclean et al., 2006: 278-9). I related this way of thinking to how Andy, Steve and I used to talk about STC being too big or important as if reassuring each other when discussing the takeover as just rumours. On reflection I related these to how Elias (1939, 2000) describes groups forming, and imagined that probably group members not only imitate each other’s behaviour, in their sympathetic interactions they may well reinforce each other’s views.

Kübler-Ross suggests that shock or denial is followed by anger, as people seek someone or something to blame for what has happened. She mentions the anger of the jilted lover or the sacked employee. When acquisition plans did not go as announced, we used to gossip, pointing the finger at various bosses. As grieving processes continue, Kübler-Ross explains, some could already be moving on to the third phase as the ‘victims try to bargain’ (ibid). Perhaps life can still go on one way or another, she claims people might think. Probably this may be linked with how some colleagues and I used to say .. ‘well, we still have jobs’. Nevertheless, Kübler-Ross states that the outcome of these personal or collective efforts is hardly enough to stave off the fourth stage i.e. the setting in of depression. She suggests that for some individuals depression is associated with indifference and apathy. I also saw the frequent restructuring when things would go off the original plans, as our executives’ improvisations to make the best of things.

The final phase she suggests is when depression gives way to acceptance as the bereaved are supposed to begin to rebuild their new lives. I related this in my case as an example in my divorce, to when I first started dating and eventually remarried. Although it was and remains hard when I am with my new wife, I keep reminding myself not to compare her with my ex-wife. I also experienced this tendency in reporting to new managers following reorganizations and felt anger towards the new bosses even before ever meeting them, and compared them with my previous bosses. For example, a few months after a reorganization under which I was to report to a manager in Japan whom I had never met, I would only communicate in single worded e-mails to him. But I stopped sending one-word e-mails after a few months. I began reasoning with myself that the new manager was not responsible for the upheavals that the acquisition had induced into my life. What was upsetting me was how the professional and personal relationships built over time, between my previous bosses and I often got terminated following reorganizations or redundancies. Later I would console myself that my local manager(s) and I had not been part of the higher ranked senior executives who had conceived the M&As. But it was hard at times not to feel as if most of us including my new line managers were all ‘done to’ (Noble, 2009) i.e. passive victims. Nonetheless, individuals according to Kübler-Ross, are said to go through these five phases, grief-to-acceptance. However, others (Bonanno, 2009) argue that there is no evidence to support the Kübler-Ross theory which is not unusual in the literature. So in the next section I reflect on how I understand this model in terms of complex responsive processes.

Reflecting on the Kübler-Ross model

My experience of M&As includes the loss of important (for me) relationships with close colleagues and bosses when they were transferred, made redundant or left which triggered what felt like an uncontrollable process of grieving. These processes were uncontrollable in the sense that for a few days/weeks nothing in particular would happen, but, for example, if I was on the way to the office, at a meeting, or even at home I would hear, see or notice something that reminded me of a colleague or boss. Then suddenly I would have a surge of anger, that they were not there anymore, or I was missing them. At times I would try to suppress my anger or thoughts (if I was at a meeting). Conversely, I might momentarily allow myself to reflect on these feelings of anger, acceptance, etc but then would force myself to move on with a conversation (if at a meeting) or some other tasks needing immediate attention. So for me the stages of the model were iterated in such processes whereby, any of those five stages, might crop up with varying intensity at different times. These stages did not come in an orderly manner. Instead the various stages that I was identifying with at each living present appeared to occur whenever something would trigger a thought or feeling.

Moreover, rather than distinct phases or periods, it felt as though all these stages were like fractal themes existing simultaneously, when one or another would appear more significant at a time. And each time I might conjure new meanings about something that would affect, change, negate or reinforce a previous feeling or belief. In this sense the model was useful but felt rather simplistic as in my reality, I could sense the stages cropping up unpredictably, striking me whenever something triggered memories of a certain colleague or boss. These fractal themes often caused several different responses and feelings, some stronger than others but emerging simultaneously rather than a sense that I should have passed this or that stage by now and so this or that particular feeling was bigger, smaller or had passed altogether. It was also notable that different themes as they felt significant, would also proceed differently rather than following any particular sequence or duration. However, gradually certain themes would get farther and farther apart as new circumstances or relationships emerged. In a sense, the five-stage model felt like a sort of abbreviation or shorthand for much more complex processes of reflecting on my feelings of loss or grief emanating from M&As. This way of thinking contrasts my earlier thought processes as I began my research, in that I had been making sense of models e.g. the five-stage one, reifying them as something that I had selected or separated as useful in how each was able to explain something. I tended to separate models and my reflections, calling the former the traditional or mainstream literature and the latter as complex responsive processes.

Later I began to notice that even the same models were resonating differently for me at different times or I would even come across new ones. For example Weitzman (2003:1) also explored grief 'in stages as Numbness, Disorganization and Reorganization'. Others (Zöller and Payne, 1999:5) have mapped the five-stage model by Kubler-Ross into Schopenhauer's (1932) 'three stages of truth' with denial corresponding to 'ridicule', opposition to the anger stage, 'bargaining and acceptance' correlated to 'depression and acceptance'. My point here is that progressing my research, it always felt that the mainstream literature is rich with models, interpretations of models and their cross-correlations.

However, I have not come across a single or set of models that could represent or tell the whole story of what was going on for me at each living present. More recently I have been able to relate to the mainstream literature and models without reifying them and without separating them from my thoughts and reflections because these models and the traditional literature also play a part in my experience, conversations and reflections. I now think of models more as social artifacts or objects that permit conversations to either proceed, come to some sort of conclusion or serve as a milestone in our local interactions.

Certain models present particular perspectives focusing or continuing conversations on certain aspect, attributes or themes of discussions. They can never reflect all the thoughts, ideas or feeling that people might have, or would talk about. When M&As were being discussed at our management meetings, I thought that there was a lot of pretence, play acting, and, as I did, making up numbers, features or potentials. I would also imagine that others too might have had (as I did) their own motivations, priorities, reasons or possibly agenda that may not have been verbalized or overtly mentioned, but nevertheless these existed. What complex responsive processes has allowed me to do is to legitimately include the less acknowledged aspects of local interaction when exploring my experience of M&As. Just as complex responsive processes has been helping me to legitimize inclusion of a wider spectrum of my experience, so did the five-stage model legitimize how I could include my responses and feelings such as a sense of loss and grief through M&As (which I had come to perceive as rational and objective business activities). Having read about models of loss and grief I felt able to more openly discuss and explore my own sense of loss, hurt or grief which I had previously been too embarrassed to discuss, even ashamed that I was experiencing such feelings in what were supposedly commercial and corporate activities. My supervisors also gave me the confidence to externalize these feelings and include reflections that it never was a linear process of first this, then that etc. They encouraged me to explore reflexively why and how particular models would resonate better at times and not at others. At times I would get angry because I wanted the models to remain 'good' or hold as true as my comfort zones, each with their own name or label and yet reflexive explorations made me realize how I was, in each living present, the builder and the destroyer of my zones. Reflecting on the traditional M&A literature I find them mostly organizational scale, hypothetical and abstract. However, in each chapter, I have tried to unpick significant themes of my experience of M&As.

Closing remarks

I have reflected on my evolving sense of identity as a major theme of my experience of living through M&As. I now make sense of identity issues in terms of the temporal and evolutionary nature of my relationships in both pre and post-merger times as part of the same processes of local interaction at the same time. The complex human dynamics sustaining and transforming these relationships, the securities I perceived they were affording me and our organization were also temporal and evolving in nature and beyond being deterministically preserved, or defined through M&As.

I argued that mainstream articulations about identity in M&As rarely explore the local scale issues which I grappled with. My experience of identity however, so profoundly influenced by M&As, is not as something existing in the physical world outside of local interaction with others. What I have experienced as threats to my identity were changes in my relationships through M&As and the familiar and established ways of relating with the people that I valued and respected as well as those I found disagreeable. These relationships mattered to me, influenced and formed me just as I influenced and formed them. Their loss at times left me grieving. Another reason I found the literature on loss helpful is how people are referred to and included in such studies which makes relevant in my exploration. This is not the case in the organizational scale M&A literature where people's ordinary local interactions tend to disappear. A major argument of this chapter is not how much, or how little, people are or are not discussed in the M&As literature. It is more the case of how can feelings of loss and grief be such a significant aspect of my M&As experience if people and businesses, as in the mainstream views of these activities, are regarded as separate entities. If they are significant for me, can they not be significant among other participants in M&As whatever their position in the hierarchy. The significance in my experience of the non-separation of people and businesses and local interaction contribute to my proposed understanding of M&As as social object which I will present in the next chapter.

Chapter 5 A Social Object view of M&As

Introduction

So far I have explored, as the dominant themes of my M&As experience including power, identity and loss. Discussions in this chapter continue on from the previous chapters and build on three other main themes arising from the discussions so far.

Foremost in my exploration of M&As is the separation of businesses and individuals common in both the literature and the way that people talked. What is much closer in my experience is that not only are the businesses and the individuals working for them not separate, but that change for me and the organizations involved are intrinsically intertwined. Secondly, as organizations do not exist as physical things do in the natural world, M&As as inter-organizational initiatives also do not exist as physical things but are ‘processes of communication and joint action’ (Griffin, 2002:212). Third is the explicit distinction that tools, artifacts, assets, products, patents and technologies only played a part in local interactions through which change and continuity emerged i.e. they were not the change themselves.

A major focus of the M&As literature is organizational scale explorations with little attention to these distinctions. However, organizational scale discussions, e.g. which businesses to combine were only a part of the later more drawn out local activities to integrate products and departments. So the focus of this chapter is the significant relevance of local interaction in making sense of my experience of M&As. I propose an understanding of M&As as social object to shift the focus of attention from assets and organizational scale explorations to our local interactions in which they acquired meaning, as they were particularized in our organizational activities.

I reflect on individual and collective acts of imagination emerging as a common theme at our meetings where M&As were generalized as faster routes to growing business than organic growth. They were also idealized since in anticipating change, discussions were in favourable terms e.g. bigger and better. Furthermore, we consistently idealized our initiatives by ascribing to the envisaged joint businesses more sales, profits and market position even before they had been formed. The explicitly social nature of generalizing, idealizing and particularizing supports my narrative approach and methodology for exploring my experience of change and continuity through M&As.

5.1 Emergence of ideas about M&As

The narrative below provides a reasonable context for the discussions in this chapter in relation to an understanding of M&As as social object.

Acquisition of I-Net

> During our Oct 2011 management meeting, to finalize the following year's forecast for submission to the board, it transpired that collectively, distributors were anticipating lower sales. This was against the board's expectations of growth especially because three years earlier they had approved a $15m cash injection into the company. The cash injection had followed the 2005 acquisition which was meant to boost our sales, but had not. Three years back, Long Term Evolution (LTE) was a new technology concept with no actual products. At the time we had not expected telecom operators so rapidly adopting LTE, a technology we did not have. Michael, our senior director, suggested that acquiring I-Net who had developed LTE would complement our Scanners. John, our marketing director, supported the idea and described how product integrations, mostly software, could be done in three months, which triggered conversations at that meeting and later elsewhere. We all agreed that the demand for LTE scanners was increasing and that redesigning our own scanners would take too long. 'Even then', Stuart added 'it would be tough to compete against the established suppliers'. Everyone agreed that LTE scanners would enable us to compete in many new tenders and winning just a few bids would generate growth. Stuart and I were tasked, for the next meeting, with researching the product integrations and others with valuation reports.

* * * * *

Reflecting on the above, M&As as a theme of conversations emerged as we speculated, and then mostly idealized about the acquisition, the combined Britsu-I-Net, change in terms of sales growth even though a merged business had not yet existed. Another important theme which I will discuss first, relates to the separation of people and businesses as presented in the next section.

Separation of People and Businesses in M&As

A difficulty in my experience is the mainstream view that 'people' and 'businesses' are separate entities i.e. M&As are only about the latter. Here, it might be the right place to reflect on the significance of my difficulty with this separation and describe how in my explorations I would only differentiate between the tools, artifacts, assets, products, patents and technologies of businesses (I'll call all these assets) and the organizations.

Assets are what people use, design or make that could provide a business with competitive advantages (Hamel and Prahalad, 1990; Collins, 2001). My differentiation is because the relationship between people and between people and assets are different. Also assets are a major focus in M&As and receive much more attention than the ordinary everyday local interaction between people. In my experience trading assets only played a part in local interactions rather than determining what emerged through our M&As. Pre and post merger, businesses are 'processes of communication and joint action' (Griffin, 2002:212). Neither our assets nor operations were alive but rather in our M&As it was people doing things including the trading of assets as part of combining businesses. In this context Kay asserts (2010):

> Domineering chief executives often fill their boards with cheerleaders, and rarely seek sceptical counsel. An army of professional advisers can hardly wait to get its hands on fees. The independence of analysts is compromised by their association with deal-making banks. Both analysts and journalists find their access depends on good relations with the businesses they cover. Many of the worst deals are widely applauded when announced.

What I understand from the above and drawing from CRP is the importance of people, their relationships, interdependence and need of each other. But no matter how unique or 'priceless' these assets, combined businesses emerge through complex responsive processes of people's local interactions. Furthermore, people do not have relationships with assets in the same way as they have with each other even when at times, it may appear as if they do or metaphorically talk as if they do. As mentioned in the previous chapter, participation of advisors including my HR colleagues at M&A meetings was in anticipation of difficulties arising due to what was considered as particular attachments of some staff to certain products or projects. For Stuart and I, for example, the RFTS (Remote Fibre Test System) was dubbed our baby or pet project. But we did not relate to, or engage with our RFTS in the social act of gesture and response, though it played a major role in our relating to each other, our relative power in the company and our sense of identity. The gesture-response (Mead, 1939) is an understanding of the complex responsive processes of communication between people rather than just one side doing something and the other reacting to it as a cause and effect in physical objects. In gesturing, I am taking a similar attitude to my action as the other might be taking to it. Furthermore, in relating to others, I am not simply taking the attitude of a specific other but always at the same time the attitude of the generalized other (ibid). I, as the gesturer and also the responder(s) are self-conscious and clearly, nothing like this goes on between people and assets except when they themselves read into and act upon some relationship with such artifacts (Orr, 1990: 173).

The point here is that, even when particularly attached to certain products, developments or projects, people do not interact with or relate to assets in anything like the sense they'd use these words with respect to human relating or interaction. Assets were made and used in our businesses. Clearly our assets were not just ordinary objects or identical to others'. To each of us, assets are never humans even though they might take on special meaning, including special association and possibly emotional significance which are also formally recognized. For example all my employment contracts included a clause such as:

> You agree that all rights in respect of every patent, invention, discovery or design in any way relating to or connected with the products, processes and methods of the Company made by you during the subsistence of this appointment, shall belong to the Company and all such rights are hereby assigned to the Company.

However, my point here relates to the 'meaning' of assets. In previous chapters I described how upset I was when product lines that I had helped start-up, were shut down. Conversely I felt elated when the RFTS was restarted and went on to become the jewel in the crown of a subsequent acquisition. The other example was the narrative of the QA lab as my first post-graduation project and how sad I felt when it was transferred and colleagues made redundant following the takeover. My point is how we might respond emotionally to the meaning that physical objects might take for us. However, Mead's important differentiation is that meaning cannot be located in physical objects because, on their own, assets have no meaning because meaning is not an 'it' but rather emerges in the social act and the social act is the meaning. In such a way of thinking, meanings are our activities of interacting and they do not have a price nor physically exist anywhere. It then follows that in M&As, assets can only be meaningful insofar as they play a part in our local interactions with each other including specific activities of combining operations or product lines. Thus each meaning arises in particular acts e.g. shutting down a product line or transfer of the 'lab' and redundancies not in the price of the worktops, benches or the instruments. And in M&As power ratios are tilted toward the owners and top executives who have the right to buy, sell, move, close down operations or labs which others down the ranks do not though they have the power to resist, with unknown results. This is the connection I am making between power figurations, identity and my sense of loss in local interactions and assets in M&As. Since ‘corporate rights’ (Higgins et al., 2007; Kay, 2010) of shareholders, owners, top executives and money are key factors in what happens to assets, power ratios were tilted towards these individuals. This is how, as I began this research programme, I used to slip into reifying assets and the trading of them in complex transactions as the M&As and the root cause of my frustrations in all that followed. In such generalizations, I saw myself (and colleagues) frequently as victims. So in the remainder of this chapter I will be unpicking these generalizations and perceptions, shifting my focus to the detailed interactions in which assets acquire particular meanings. This is a very different way of thinking about assets in M&As and a major distinction in my thesis. It also leads to a very different way of thinking about the role of assets and trading them in M&As.

I also mentioned at the beginning of this chapter that it is not only that the distinctions I have discussed above do not appear in the mainstream literature, but I also argue against the matter of fact way that M&As are described as growth and improvement initiatives. So I next review how M&As are described in the mainstream literature.

5.2 A few words on the established views about M&As

A Google Scholar search (Jan 2012) of books, journals, seminar papers and articles in Business, Administration, Finance, Economics, Social Sciences, Arts, and Humanities as search fields, for “M&As, growth, improvement, options, increase, profitability, market share” between 1982 (start of my first job) and 2012 returned 174,282 results. Reducing the focus to journals in business, management (including organizational), finance (including the Academy of Management Journal) with the same criteria, the search returned 38,891. Further limiting publications to only books over the same period, returned 17,440 titles. The same criteria using Amazon’s website but limited to edited volumes, returned 955. Of course I am neither claiming that I have read all these publications nor am I taking a quantitative approach. My own End-Note database of 709 references is a fraction of the above studies. Yet, according to Minto (2011, 2)

> more than 25,000 M&As have been assessed by academic researchers in the US and Europe, including the UK ... all merger waves in history, six in total.. and that many M&As are already unwound before the next wave takes place. Still, this does not prevent companies from repeating what they did before – time and again.

Neither can this be taken as concrete evidence, but typical assertions include:

> M&As are a vital business tool and a successful growth and expansion strategy for companies .. the role of M&As is achieving or maintaining competitive advantage by anticipating and adjusting to change' (Frankel, 2005:4)
>
> The fundamental role of M&As is to enable firms to adjust more effectively to new challenges and opportunities. If done efficiently, M&As can increase revenues and market share, improve profitability and enhance enterprise values (Weston and Weaver, 2004:11). M&As continue to be among 'the preferred competitive options available to companies seeking to grow and prosper more rapidly...' (Depamphilis, 2009:7)

According to Dealogic (2011) 'worldwide, in the first nine months of this year, there were over $2,150bn M&A transactions' in 30,000+ deals, i.e. following the world financial crisis of 2007, M&A activities are on the rise again. Given the number of M&A deals and studies, it is also not surprising that different opinions, ideas and re-presentation of these activities 'as socially constructed meanings' would continue to emerge (Stacey, 2001:28). I also do not think that it is at all too sweeping to state that M&As in the dominant discourse are viewed as business growth and/or improvement options.

What has become important, in undertaking my research programme is how in organizational scale explorations, local interaction almost disappears. So what I want to do in the remainder of this chapter is explore M&As as social object rather than the combining of businesses as wholes. Increasing market share, profitability, reducing costs through economies of scales, acquiring new technologies or entering a new market are worthy business goals. However, these are realized through everyday local interactions at work that also include:

- power relating and local politicking of who would become the post-acquisition section head or department head of Sales, Product Management, R&D, HR and how the list of redundancies emerge through local processes of discussions and negotiations.

- as group sizes changed typically as departments and operations were combined, the new post-acquisition dynamics of ranking between people was influenced by the pre-acquisition dynamics which in turn related to emerging individual and group identities.

- coping with loss and grief whilst at the same time getting used to post merger etiquettes as essential for new colleagues and members of the organizations especially if they were from different countries, cultures or backgrounds. This awareness and acceptance related to cooperation or lack of it, especially when some of the new faces became seniors or new co-workers. When reorganization decisions were being considered, politeness and being aware of the customs, traditions and social etiquettes that others were used to, or had come from, influenced communication and how new relationships emerged.

• noticing covert or overt resistance, accepting or complying with changes in how old and new colleagues and bosses were behaving one way in their formal roles and capacities, and privately and in shadow conversations, was taxing

• the influence on previously established bonds, loyalties, trust and also rivalry, mistrust even loathing between people and how M&As changed the dynamics and gave rise to different ones in the combined organization.

Growth and improvement mean different things to different people in different situations. Any intended change through M&As as general, and all specific meanings emerge through daily local interactions which include these features, in contingent situations i.e. particularizing the general (Mead, 1934). However, many phrases in the mainstream discourse about M&As are used as-if they have fixed meanings agreed and understood the same by everyone, whereas I argue that meaning is never fixed. The next section presents some examples.

5.3 Typical terms in the literature

In the paragraph below I use *italic* font to highlight the general notions that are typically used in relation to M&As.

M&As literature is a body of *knowledge* that explores the *big picture* over the *long term* as *growth* and *improvement options* (Kerr, 1997; Pike and Neale, 1998; Cosh and Guest, 2001; Wasserstein, 2001; Collins, 2003; Weston and Weaver, 2004; Rottig, 2007; Depamphilis, 2009). There is also the view that *skilfully* (Hoetzel, 2005: 8), combining businesses offers the potential to explore *economies of scale* (Harrison et al., 1991) in combining of *resources* (Andrade and Stafford, 2001; Very and Schweiger, 2001), *capabilities* (Karim and Mitchell, 2000; Matsusaka, 2001) and *competences*. That it is possible to *optimally* (Rivkin, 2000) reorganize previously separate operations of two businesses as a *source* of *competitive advantage* (Porter, 1987; Barney, 1991) both in existing and or newly identified *markets*

(Hubbard, 1999; Kay, 2002) to achieve the rationally set goals and objectives for these combining activities. The literature also refers to *categories* e.g. horizontal, vertical, synergistic or cross-border *options* (Andre et al., 2004) and *approaches* to marry two or more suitable businesses. Also that the *previous successful* marriages (Loughran and Vijh, 1997; Capron, 1999) are some sort of *evidence* (Andrade and Stafford, 2001; Very and Schweiger, 2001) that modern executives could *learn* (Inkpen, 1998; Very and Schweiger, 2001) from, to undertake their own / new initiatives.

Next I will reflect on the emergence of the above ideas to better understand their nature especially since to varying degrees, they have emerged as the mainstream views and played a part in my experience.

Particularly important in understanding human interaction is our tendency to generalize (Mead, 1934). 'As groups evolve and develop a past they begin to recognize' (Griffin, 2002: 195) each other and various generalizations. Examples include 'culture, democracy, deep ecology or capitalism'(Stacey et al., 2005:35). I argue that M&As can also be understood as generalization. Mead explores mental and social activities as paradoxical processes of generalizing and particularizing at the same time.

These 'generalizations emerge in a history of experience' (Williams, 2005:16). And so they exist not as physical objects in nature but rather in our experience of interaction with each other and the natural world. Generalizations can therefore be thought of as tendencies to articulate what we consider as similarities. In such a context, when Shi et al (2012:166) describe M&As as 'externally oriented corporate development efforts' they are generalizing a certain theme of 'corporate efforts' to combine businesses as M&As and articulating this theme, the similarities of these efforts, as having 'the goal of achieving economies of scale, scope, market share'.

In my early years of living through these 'corporate efforts'(Shi and Prescott, 2011:2) M&As began to emerge in my experience as a theme. The upheavals, redundancies and my sense of loss made this a 'particularly intense experience' and I began to think of M&As as a whole existing out there, that all too frequently came round and often messed up my life. Reinforcing this thinking was the language used including how Higgins et al. (2007: 2) describe the 'control of corporations' as a 'tradable asset' being exchanged in M&As. They stated that there are different types of M&As and in the 'Anglo-American' type 'the control of corporations is traded as a valuable asset' (ibid). In such articulations, Higgins et al (ibid) are grouping certain corporate activities and similarly Shi and Prescott (2011) describing 'corporate efforts' of combining businesses as M&As. Here the 'control' of combined organizations is reified and as a trade-able asset. Furthermore, not only M&As but also the trading of 'control' are being generalized.

So in the following paragraphs I will refer to the above notions and italic phrases as examples and drawing on Mead's work unpick their emergence because this contributes to my proposal of viewing M&As as social object.

Mead (1934) discusses our capacity to become aware of ourselves, others and how we reflect upon our interactions to make conscious sense of what we are doing. To live and just interact with each other simply according to the norms and rules of our societies, would be a life devoid of all 'meaning, sense- making' (Klein et al., 2006) thought and reflection. According to Klein et al. sense-making is what people do 'to fill in the inadequacy of their current understanding' of events. This theory is similar to the earlier Recognition-Metacognition theory by Cohen et al (1996) which describes the metacognitive processes of our communications to gather, examine and or verify our understanding and stories to explain the situations we might find ourselves in.

Our interactions with each other reflect socially evolved norms, values, ideologies, generalizations, idealization or demonization. We might do most of these things without being very conscious of them. In relation to M&As, I was upset when Lars outsourced our R&D, laying off colleagues to reduce the headcount, describing this as only doing his job 'to dress up the company in readiness for being acquired'. I interpreted his behaviour in line with my take on the literature that he was in control of the company and was reorganizing the business to make it appear more profitable and hence an attractive 'buy'. In this context, according to Klein et al (2006) I was filling the gaps, making sense of how Lars was particularizing (laying people off) a generalization (dress up the company for acquisition).

Another example of people interpreting matters was how Joe wanted to 'create a bargaining position' and told me to do the same, by withholding information from the acquiring management. This I saw as Joe's particularizing behaviour which transformed our relationship This incident contributed to Joe and me eventually falling out. Local interactions are therefore essentially ideology-based acts of 'choice and power relating'(Stacey and Griffin, 2008: 13) both individual and collective with the potential also for disagreement, rivalry and conflict to arise.

Thinking, reflecting and meaning/ sense-making however, are all activities of abstracting which means not in our 'direct experience' (Stacey, 2010:126) where we discuss our experience, which is not the same as the experience itself. However, articulating our direct experience is also communicating with each other and it is part of our interactions through which meaning, including those of our abstractions, emerges. Experience therefore as in participation in local interaction, and abstracting, influence and are influenced by one another. Meaning accordingly emerges in paradoxical processes of direct experience and abstracting. Stacey (ibid) uses the phrase 'immersing' to describe what we are doing as we interact locally in ways which unconsciously reflect the generalizations and idealizations, the habitus, of our society. My narratives therefore, stay close to my direct experience in that they provide descriptions and accounts of my local interactions. Articulation including how I might describe an acquisition as predatory involves selecting, simplifying or categorizing generalizations and in this sense, also abstracts from direct experience.

Categorization (Rosch and Lakoff, 1978) based on 'necessary and sufficient conditions' is helpful in human learning via embodiment. Categorizing M&As in terms of hostility, friendliness, cross-border or synergistic distinguishes these categories according to these characteristics which I might sense or relate to in technologies i.e. Britsu as a high end instruments producer (with status connotations) and NetTex as field types. Mark's memo had cited this in the announcement of the acquisition with similar echoes in the media (Yashkova, 2005). In reading the memo and the media reports, I too thought that Britsu's acquisition of NetTex made sense. Furthermore, applying statistical analysis to 'synergistic M&As' (ibid) e.g. our competitors had done it under similar circumstances, provided me with both psychological assurance and the impression of being well thought-out.

The sample of mainstream literature, presented above also reinforces the idea of the applicability of quantitative approaches to categories of M&As and is also abstraction. However, as I think and reflect on my own realities to compile my narratives of direct experience, I might consciously or subconsciously select this or that word, but each word also amounts to abstracting in which I might categorize or generalize the rich detail of each uniquely experienced situation to make a point. 'Furthermore, thought is essentially an act of categorizing and generalizing' (Stacey, 2010:109). So when in my narratives, I relate M&As to redundancy worries, I do not think entirely in terms specific to Joe being made redundant but instead I think in terms of a general and thus abstract category of redundancy. I am, in doing so, treating the rich details of each situation leading to the redundancy of Joe, Lars, myself or others as 'details'. Stacey (ibid) refers to generalizing through categories of experience as first order abstracting. However, as the examples presented in the previous chapters show, the mainstream M&A literature adds a further generalization 'expressed in the mapping and modelling of relationships between the categories' which Stacey (ibid) calls second order abstracting. Also in this context, Healy et al.(1997) conclude that 'strategic takeovers generated substantial gains for acquirers whereas the financial, or unfriendly, acquisitions mostly break even'. Here strategic, financial and friendly are among the categories. Similarly, Bild et al (2002: 4) state:

> [This] paper is organized as follows: Section 2 discusses why the traditional approaches fail to measure the marginal impact of acquisitions. Section 3 reviews the residual income approach to valuation, and develops a model based on this approach to measure takeover performance. Section 4 describes the data and sample statistics. Section 5 reports the results from the empirical analysis. Section 6 concludes.

The key points for me in reading this quote include firstly that statistical analysis of M&As in terms of models, categories and treating categories as data seem taken for granted assumptions of facts. Also categorizing, grouping or classifying would be the way to seek out patterns or trends that would allow certain predictions. Finally the language impresses me as scientific (therefore powerful), with discernible rigidity, yet it will be interpreted. My point in this section is to highlight the emerged generalizations about M&As and how they continue to evolve as mainstream views in the literature.

In the remainder of this chapter I present further reifications including modelling and applying statistical analysis to M&As as a focus in the literature. I relate this to desires to manipulate, simplify and professionalize M&As. Accordingly I then present the implications of such approaches including consequent distractions from local interactions and propose an alternative understanding (namely that of viewing M&As as social object). In the last section, I explain how this is helping me make sense of change and continuity in my own experience of M&As.

Reification and second order abstraction

Stacey et al (2003c: 325) argue that 'to talk about organizations learning is to reify and anthropomorphize organizations' and explore the assumptions that we make in talking about organizations. By reifying they mean how people in relation to organizations talk about

> process as the interaction between parts, which might be individuals, to create a whole, to create something outside their interaction, which it then becomes possible to reify, that is, treat as a thing that actually exists, quite independently of the parts. (Griffin, 2002: 184)

Griffin (ibid) points out that we

> could mathematically model an organization as a system, remaining aware that it is a model without moving to equating it with the organization itself. But most people do tend to move from the modelling to the reification of the model.

What I understand from these explanations is the different meanings of process. In thinking of organizations as systems, this refers to linear processes of people interacting over time producing a great variety of patterns of interactions which can be explored and made sense of. But Griffin et al talk about temporal processes in which people are interacting together to create further patterns of interaction rather than something outside the interaction, such as a whole, an organization, which is then reified.

In the context of M&As, not only do mappings and modelling them into hostile, friendly, cross-border or other categories amount to reifications, they also simplify M&As reducing the scope for alternative explorations. This way of abstracting induces some sort of clarity and uniformity that made sense during the early years of my career.

Living through and researching M&As, has been and still is a mix of my direct experience of what I think is going on and at the same time abstracting from that experience as I try to make sense of what I think might be going on. In doing so I might feel similarities between various aspects of each day and categorize that experience in my narratives and in doing so I locate my way of thinking as I reflect on my experience. Also I might find similarities and difference to what I have read in the literature or heard, to how I reflect on my experience and then I might generalize or idealize aspects of my experience as 'first order reflexivity' (Stacey et al., 2005 :22). This is also how I understand first order reflexivity while the mainstream literature applying statistical analysis and correlating various categories of activities amounts to 'second order abstracting' (Stacey, 2012:37).

Our discussions, memos, announcements, reorganization plans about moving operations around the world and the elaborate transactions typical in M&As included many second order abstractions. And I have found that to remain a member, following an acquisition, to become included as a member of the new management groups, I too had to become fairly fluent in the emerging terminologies and concepts that were often used at our meetings. These phrases and ways of talking were not just related to my work but have also become an aspect of conversations outside and away from work.

In our e-mails, webinars, face to face meetings or our everyday conversations, colleagues and I discuss synergies, horizontal or vertical acquisitions, the impact of M&As on share prices or dividends. First order abstractions (narrative) as well as the second order abstractions (metrics, measures, and models) were an integral part of our conversations about M&As. What I was experiencing also related to how hardly anyone noticed the emerged habit of reification (Macintosh et al., 2006 :279) and how ordinary local activities readily disappear from the 'big picture' that I felt I had to focus on! People's reification habits in everyday talk as a mix of first and second order abstraction involved:

- Generalization and groupings as in telecom industry as well as M&As in other industries that seem to have become universal categories e.g. friendly, hostile, cross-border, predatory, strategic or synergistic initiatives.
- Performance of these M&As was discussed in terms of pre and post acquisition turnover, profitability, P/E ratio, share price movement with banks and advisors offering services to manage transactions from a price list of their fees. The higher the turnover and size of the companies to be combined the higher were the fees.
- Following up and reading published reports on the number and size of the more recent M&As in different markets, industries and regions.
- Monthly reports on our own and our competitors' website about possible M&A intentions, implications and customer views.
- Establishing performance benchmarking consortiums e.g. European Benchmarking Forum. We paid independent lawyers to derive market size and share by products for each member where these reports were discussed at management meetings and often formed the basis for deducing emerging patterns and/or trends.
- Forecasting and projection of market trends for new product development or discontinuation, often involving statistical probability analysis and correlating these by various means to whether it'd be worth developing products in-house or embark on acquisitions.

Indeed the official monitoring bodies including Monopolies and Mergers Commissions and the Telecom Regulatory bodies that have emerged also engage in second order abstractions. The rules and regulations that these bodies have developed are second order abstractions and are aspects of my realities of M&As. But in categorizing, standardizing procedures, regulating and monitoring M&As, people and local interaction as the organizations, disappear.

However, investigating, reviewing, describing or monitoring M&As in these terms is by no means a criticism because without these, there could be no guidelines, policies or checks nor would it be possible to organise these activities in the modern world. Indeed as a theme of my career they reflect ideologies of objectiveness, rationality and continuous improvement (Kaplan, 2000; Kaplan, 2007) and M&As as 'means of introducing change' (Weston and Weaver, 2004: 11). I now understand M&As rather than as a taken-for-granted 'means of introducing change' as gestures of directors or owners about their merger intentions that arouse responses from the members of these organizations, their competitors, the media and the official monitoring bodies. These gestures also play a part in local interactions through which various responses emerge.

But, the focus on second order abstracting for me also eclipsed anxiety, frustration, confusion, resentment, the paradox of power, private interests and agendas as well as disruptions or ending of relationships (due to redundancies or reorganizations) all as aspects of local interaction. Empathy, compassion, loyalty, loss and grief were also my realities influencing my experience of M&As including how the intended changes were or were not in line with announcements. These cannot be considered superficial details even though they are overlooked in formal talks, presentations and announcements.

Despite sophisticated articulations about M&As in second order abstraction terms, the fact is that our envisaged joint businesses as discussed at our meetings or described in memos or announcements did not exist as physical things do. At these meetings, in memos or announcements, we were exploring and referring to envisaged organizations. These envisaged organizations, did exist but only as idealized 'imagined wholes' (Stacey, 2010:191), and in that sense, they felt as real as anything else in my experience. 'People create often highly developed fantasies of what is going on, what is causing what, why they are doing what they are doing .. as the necessary basis of human experience` (Griffin, 2006:284). Due to this persistence I often imagined our envisaged entities existing outside of our local interaction and over time I too 'tended to forget our postulations' (ibid). I began to think that our senior executives, management, the regulators, the banks and investors including the staff, were all outside of these envisaged merged firms. We could observe and change them and exploring their turnovers, operational costs, market positions and their profitability seemed so real.

Such explorations were not just conversations at our meetings but were also widespread in the mainstream literature and the media reports. Such a way of discussing, exploring and conversing might also be an unavoidable consequence of how we communicate and articulate our thoughts and ideas.

So what's my point here and relevance of this point for others?

Referring to much of the M&A literature, the media reports as well our own discussions, as full of second order abstractions, is by no means to discredit them. Governing the larger often multinational M&As of modern organizations reflect ideologies of rationality, standardization, control and improvement unavoidable in life in the modern world. Neither am I arguing as an 'objective observer' for less or more 'second order abstractions'. My point is that while the outcomes of combining businesses as deeply embedded social activities are not controllable, what is possible is raising our awareness of the habitual focus and common practice of second order abstracting when exploring these activities and the constraining consequences of such a focus to improve our understanding of change and continuity through M&As.

An argument of my thesis is that, taken on their own, envisaged entities are not stored in the future waiting to be unlocked. Neither were the articulated characteristics of the envisaged businesses, messages sent from the future. Just as the second order abstractions had emerged and were playing a part in our local interactions so were what we were discussing and describing as characteristics, features and attributes of the merged organizations. Outside our meetings, the joint businesses too would emerge through conversations, interpretations and how various proposals to combine operations, processes and product lines were taken up in the living present as responses to these gestures. These responses together with our own responses were also influenced by the temporally established patterns of power relating between people at these organizations.

As my narratives have depicted, often the post acquisition reorganizations altered the size of groups and hence group dynamics inducing anxieties, frustrations, not least fears of redundancy or rivalry but always altered the patterns of the pre acquisition norms. I would argue that others too, to varying degrees, experienced mixed feeling, concerns or anxieties. This is the basis of my claim that my experience has relevance for others too. However, at our meetings, we habitually used mainstream talk, discussing how a new combined organization would have a higher turnover, market share and forecast potential profits even before they were formed. We tended to summarize the attributes of envisaged firms, discuss and agree reorganizations and integrations as implementation activities.

I have also experienced the strength of the mainstream views and conversations echoing the literature throughout my career. Some colleagues and I would be tasked with product line alignment scenarios, as in what the combined organizations products line-up should be, where we might be making what changes to which products. Our reports would be added to the proposal to be submitted to the board of directors for their approval. Then usually the HR, bankers as well as outside consultants were mobilized, each with their own due diligence routines to safeguard against risks including legal, financial and cultural issues. At times, like others, I too got carried away in the buzzing atmosphere about new possibilities and potentials. But soon a reality would hit as if waking me up from a dream, when I realized some of these changes for example were at the expense of colleagues' redundancies. Then new meanings and emotions would emerge as I began reflecting differently on each proposal.

So in the next section I propose an understanding of M&As as social object which accommodates the M&A literature including first and second order abstractions as well as generalization and idealization tendencies.

5.4 M&As as social object

To help develop discussions further, a brief recap of the key relevant aspects of Mead's (1934) work are necessary. He explores mental and social activities as paradoxical processes of generalizing and particularizing at the same time describing the emergence of mind and social activities through these processes. People 'act in relation to that which is common to all of them (generalizing) but responded to somewhat differently by each of them in each present time period (particularizing) '(ibid: 82).

Social object is one of the examples by Mead of these generalizing-particularizing processes. Mead's social object and the concept of taking the attitude of the other must be understood ‘in terms of social acts’ (Gillespie, 2006:16). People take the perspective of others in their communications. However Mead stressed that ‘the social act and hence social object must involve the cooperation of more than one individual’ (ibid:82).

In M&A transactions, the executives of both sides, among other things, must take on each other's perspectives. The target executives recognize the value of their assets to the acquirers, and in turn the acquirers recognize the seller’s needs and so buying and selling of assets are involved in each other.

Accordingly different parts of the social acts, e.g. of the trading of the assets, appear in the conduct of different individuals undertaking the act and the appearance of social object is in the experience of each individual as their tendencies to act as others act. A more complex phase is the coordination which then emerges in how each individual involved would know the way others are likely to behave under the contingent situation as organizations are being combined. In understanding M&As in terms of social acts, the buyers, the sellers, staff, the media, investors and bankers, all take each other's perspectives in their local interactions with each other. Thus different parts of these social acts appear in the conduct of all the individuals undertaking each part of the act and the appearance of M&As as social object, is in the experience of each individual, as their tendencies to act as others act. This is what I understand Mead (1934:178-186) means in discussions about taking the attitude of others. M&As as social object exist as a kind of gesture together with tendencies to respond in particular ways as a generalization which is taken up, and particularized by all those related with or participating in this particular social act.

In the next section I discuss the emergence and nature of generalizations about M&As.

The emergence and evolution of M&A activities - a generalization

M&As as a generalization provides a grouping of concepts to do with exploring, discussing, planning and related activities of combining businesses. As with other generalizations, they are not fixed, but have rather evolved and changed. Capitalism, for example, has also evolved and continues to evolve as a generalization of beliefs and activities (Kaletsky, 2010). In 18th century capitalism – Kaletsky’s version 1.0 - ‘governments and markets were totally separate'. Version 2.0 evolved after the great depression of the 30s as perceptions had emerged that markets were dangerous and needed to be controlled by governments. By the time of the great inflation of the 70s, yet different opinions had become mainstream that 'governments were wrong and markets right' (ibid) but began to change around the 2007 world financial crisis where governments and markets both seemed to be wrong.

The emergence and evolution of M&As as a generalization has been under similar circumstances and influences i.e. continuously evolving opinions and tags. For example, the M&A literature includes the early 19th century monopolies era, the economies of scale of 1910s, the 1950s globalization or the conglomerates era of 1960s. The 1980s themes include the convergence of technologies and the 1990s as the dot com era. Stacey (2010) reflects on the 2007 financial crisis whilst Kramer (2011) drawing on Thomson Reuters[1] and Freeman Consulting surveys, argues that

> the M&A market has already emerged from depressed levels due to the financial distress of the credit crisis, and is poised to see a 36% surge in 2012 to over $3 trillion and .. with many companies, as buyers, looking for technology-based competitive advantage to leapfrog competitors (ibid:2)

To me, the quote is an example of a current narrative namely that M&As are viewed as a product with its own market. However, different individuals each have their own understanding, through their own experiences and perspectives about M&As. These includes researchers, media, investors, executives, staff, consultants and regulators that not only contribute to the existence but also to the evolution of M&As as social object. Collectively individuals form and are influenced by M&As as social object in a continuously evolving process.

It is the referring to combining businesses understood as a general organizational activity in conversations and local interaction that gives rise to the appearance of M&As as social object. My narratives are my account of how I experience different articulations of this generalization being taken up in contingent situations and conversations at and away from our meetings. The evolution of my own sense of M&As as a generalization relate to what M&As mean for me including experience of anger, redundancy fears, anxiety, confusion and loss of relationships as well as pride, potential promotion and status in being invited to M&A

[1] http://thomsonreuters.com/content/news_ideas/articles/financial/379492

meetings. Having lived through nineteen M&As, my sense of generalization include product integrations reports for my management that Stuart and I were tasked to do following the meeting referred to at the beginning of this chapter about the acquisition of I-Net, or the web portal report for Lars mentioned in the previous chapter. Accordingly, my narratives of experience point to how combining businesses has always been in anticipation of change in favourable terms i.e. improvements in market share or turnover of joint businesses through M&As. In a life time of interactions, I had developed expectations of how others might behave in M&As under certain situations and circumstances as I tried to fit in with others or at times set myself apart from them. Whether I tried to fit in with others or differentiate myself in turn depended on my values and ideologies at any given situation. Our meetings to discuss various initiatives inevitably entailed comparison and performance criteria relative to other analogous companies. Such comparisons were routinely undertaken at our meetings and are also common in the literature. For example for judging success of M&As Bild et al state 'we calculate profit returns relative to non-merging control firms selected on the basis of industry and size'(2002: 6).

Awareness of such comparisons, when working with other managers often also seemed to contribute to feeling some sort of pressure to conform, or be seen to be similar or ahead in our performance compared to others. My narratives also point to how finalized proposals (e.g. the 2011 acquisition of I-Net for LTE scanners or the 2005 Britsu gaining a foothold in the field instrumentation through the acquisition of NetTex to enter) were influenced by the vagaries of fads (of what our competitors were doing or might be thinking). This seems to have been echoed by others. For example, Lowell Bryan of McKinseys Management Today (June 1999, 7) reads:

> Everyone is rushing to grow through acquisition. And today's question is indeed, are you going to buy or be swallowed up? Tomorrow's question, however, is whether any of this makes sense. Is today's merger frenzy generated by some genuine change in underlying logic, which makes ever bigger corporations necessary… Or is this wave of acquisitions simply the product of the ambitions of chief executives and their investment banker's need for transaction fees? And will the next decade see the unwinding of many of the most spectacular acquisitions – as happened to the conglomerate mergers of the 1970s and the asset plays of the 1980s?

Similarly, Kay (2009) likened the stock exchange activities to a newspaper beauty contest

> The objective was not to choose the most beautiful face but to choose the one you thought others would find most beautiful (ibid: 2)

He describes how two of the more recent approaches to investment - *speculation* and *enterprise* - follow the processes of taking the attitude of others. Speculative investment (ibid) requires second guessing the fads and fancies of the others. In the alternative – enterprise approach - people believe that real beauty would always ultimately shine through. Speculation involves forecasting how the markets might move. Kay related to Keynesian observation (1932) about the cause of the unpredictability of stock markets being due to the participants being ordinary people who are more ‘interested in discovering what average opinion believes average opinion to be’(ibid). Stacey et al (2005) point out that it was Mead who first referred to this as ‘generalised other’ in relation to *social objects*:

> We care what others in our community in general will think of what we do. Mead argued that in interacting with specific others we are always at the same time taking the attitude, the tendency to act, of others in general, of the group or of what he called the game. He sometimes used the term ‘social object’ to describe such generalizing processes. A social object, unlike a physical object which is to be found as a thing in nature, can only be found in our experience of interacting with others. A social object is then the generalized patterning of actions, the tendency on the part of large numbers of people to act in similar situations in similar ways. (Griffin and Stacey, 2005:14)

The following section is a discussion about the idealization tendencies at our meetings and the literature in relation to an understanding of M&As as social object.

Idealization tendencies about M&As

Since I have been using *idealization* in relation to M&As, it is necessary to first explain what I mean by the use of this word in this context. Idealization, often meaning perfect, or relating to a highly desirable state of affairs or a concept conforming to ideal, is also used as a specific / technical term in mathematics, social science, philosophy and economics. In using the word idealization, I am referring to my lived experience of the collective tendencies at and away from our meetings to envisage the changes in combining nominated businesses primarily in favourable terms e.g. better profitability, market share, turnover, lower costs or technological capabilities and exploring these attributes as the characteristics of the joint businesses. By using the word collective I am referring to how in our conversations, people were adding, negating, modifying, enhancing and contributing to what the characteristics and the various qualities of the envisaged joint businesses would be. Such idealizations emerged at times spontaneously at formal meetings where minutes were recorded to be followed up; over a cup of coffee; or at the annual general meetings where shareholders were present.

I also thought of using the word fantasy and although idealization and fantasy are both similar social and mental processes, the latter has connotations of magic, supernatural phenomenon, mythology and folklore for the consistency of the themes to hold e.g. in books or movies like Lord of the Ring or the Harry Potter series.

Unlike the M&As contexts described above, idealization in natural science is explicitly acknowledged, intentional and specific about the assumptions being made e.g. about physical objects to help the exploration and understanding of various phenomena become easier. For example, in teaching Newtonian physics, I was instructed to solve coursework problems assuming no friction. While friction clearly exists and was taught in other sections, doing the coursework calculations by assuming that any friction was negligible, helped illustrate certain behaviour of physical objects. Similarly, Galileo used spherical objects to demonstrate gravitational force and free fall behaviour of objects. Using the (a) smoothness and (b) symmetry of the shapes was meant to reduce the potential misunderstanding that the use of other crude objects might have introduced for the study of objects in free fall.

However, in the context of our conversations at and away from work, not only were M&As idealized as good or right before any action in forming joint businesses had been taken, but also the envisaged combined organizations were being idealized when we predominantly envisaged them as more profitable, with bigger market shares, turnovers or lower costs. I therefore would use *second order idealization* to specifically differentiate what we were doing in the context I have just described, from idealization in other contexts and others disciplines. Specifically because idealization, for example in economics, is used to assume that individuals make maximally rational choices. But how might second order idealization differ in the exploration of change and continuity in exploring our experience of M&As?

Firstly that in the other disciplines e.g. Physics or Economics, idealizations are intentional, specific about those properties or aspects which are being idealized and openly acknowledged or explicitly declared. This was never the case in the context of our discussions. Idealization is what we, as humans do, often unconsciously. I argue that second order idealization was essentially what was unintentionally happening about combining businesses. The same is also reflected in most of the literature when M&As are commonly referred to as growth and/or improvement options which amounts to putting thought before action (Griffin, 2002: 25).

Conversely, many studies argue that long term performance is damaged by M&As (Tichy, 2001; King et al., 2003; Andre et al., 2004). I argue that this too amounts to presuming M&As as 'bad' and also to putting thought before action.

What is much closer to my lived experience is that change and continuity emerge in local interaction through our complex responsive processes of relating where outcomes may or may not turn out as envisaged. This relates to the responsive nature of the processes of our local interaction that limit deterministic predictions of specific outcomes to our gestures/actions.

Mainstream approaches I argue, tend to explore M&As using terms including good or not-good, success or failure. Idealizing or demonizing M&As induces expectations about change through combining businesses. I argue that these expectations are socially formed and are being formed by our local interactions. What were being idealized in our local interactions were (i) the activities of combining organizations, (ii) the envisaged combined organizations and (ii) their attributes and characteristics. Our local interactions however, are all social processes and include idealization, demonization and expectations that emerge and also change through complex responsive processes of local interactions in the living present (Griffin, 2002: 164) and however articulated, have realities only insofar as they are expressed in the living present.

In studying natural world phenomena, we presuppose revelation of golden rules, capacities or laws that idealizations help extrapolate beyond what would normally be possible. Furthermore, the laws derived using idealization –Newtonian physics, Galilean free fall laws of motion describe only the behaviour of ideal bodies. But, even in nature, this behaviour would only apply when many factors have been assumed or eliminated.

However, Friedman (1953) argued for use of idealization in making assumptions in economic reasoning, even if they are unrealistic e.g. maximizing behaviour or rationality of individuals. He asserted 'the only thing that mattered' was the accuracy of predictions. Using the game of billiards to illustrate his assertion, Friedman reasoned that the strokes of an expert billiard player would be those that a physicist would calculate using equations of motion. He asserted that, the billiard player might not be capable of actually making such calculations, but the assumption that he did would accurately describe his play. Similarly Darwin's theories describe how evolution could produce outcomes beyond the scope of even the most complex calculations. Nature is full of creatures seemingly perfectly adapted to their environments which might seem to be the outcome of extensive intended optimizations even though none of them did the maths.

But even the much cited analogies that Friedman used (Kay, 2010) relate to billiard balls. Also the domain of Darwin's work is the natural world not human organizations. I argue that such metaphors do not establish a general case for applying theories including idealization in relation to M&As. The assumption that the shots played closely follow laws of physics is useful in explaining the strokes made by each billiard player. But such assumptions neither explain nor consider the mental and psychological interactions between the players, including the development of skills. Neither the M&As nor idealizing were games. However, Friedman extended his billiard game metaphor to how we might predict economic events by assuming perfect knowledge of things even if our assumption of perfect knowledge was unrealistic. But even then, what these idealization and assumptions help with, are to reveal the laws of physics or the shots of a player but not the *game* as the interaction of the players.

I argue that idealization was an aspect of our local interaction including conversations at and away from work. M&As are deeply embedded social activities and a particular theme of local interpretation. Assumptions and idealizations in relation to M&As induce expectations about change through M&As. The bare bone of my arguments in this section is that idealizations were an unacknowledged aspect of our M&A meetings.

6.7 Responses to the emerging social object of M&As

I have argued that M&As can be understood as social object emerging as a particular theme of local interaction. This understanding highlights the importance of people's interactions in M&As and how this also reflects the mainstream discourse including beliefs, assumptions and both the emergence and the sustaining of our ideologies in local interactions. The social object of M&As emerges as the tendency on the part of organizational managers and members as well as others with whom they interact to behave in similar ways in their activities of merging companies. These similar ways include dispositions, tendencies and also acting in acceptable ways towards each other that have emerged as generalities of our world of business being particularized at each organization.

6.7.1 Ethics in the emerging social object of M&As

Whenever I was invited to meetings to discuss a particular merger or acquisition, it was invariably being discussed as a growth and/or improvement initiative. Although the discussions and plans were about introducing change and were proceeding with the highest ranked executives in the company also present, it seemed that they were only about change while sustaining the most seniors in their positions. At the beginning of my career, with no previous experience of such meetings, it never crossed my mind to ask how or why fundamental changes had to exclude the existing corporate executives. After all, I began thinking, it was under the same executives that the sales and market share had become so unsatisfactory that M&As had seemed a necessary salvation. In later years, when I politely raised such questions with close colleagues, I was told this is an unhealthy question, and advised not to start the blame game because blame was to look back, to the past and to what could not be un-done. Instead, I was told, to think about the future and to what can be done. Prior to my research program I found this answer reasonable, reassuring and rational. I also thought about the shame of being labelled the guy with unhealthy personality and unhealthy questions or possibly getting excluded from future meetings. At the same time I too believed in notions of organisational wholes whose integration with the blessing of the most senior managers would produce improvement and growth.

However, following this research, I no longer hold the belief that desired outcomes in M&As are subject to the blessing of corporate executives or controllable. Furthermore, I am now making sense of such advice in a different way, namely that to stay included I had to conform. I was essentially being told that M&As were about change but only in such a way that kept the highest ranked bosses in their powerful positions effectively sustaining senior managements' status quo.

How were people reacting to the emerging social object of M&AS

As a younger member attending such meetings I had some idea what M&As were about but soon realized that people seemed to think differently at such meetings and quickly learned the sort of things that were frowned upon. I noticed the way senior executives and consultants would discuss M&As in some kind of *M&As talk*. The M&As talk included: friendly and hostile takeovers, domestic and cross-border mergers, horizontal and vertical integrations, worst and best case scenarios in each deal for which we relied upon professional advisors and colleagues from the finance department. People discussed how 'the success or failure of an acquisition lies in the nuts and bolts of integration' (Christensen et al., 2011). They talked about 'the big picture' and my not-so-big inputs or those by my technical colleagues regarding products integrations, seemed to be a nut or bolt in designing of new businesses. They talked about 'dramatically transforming' the business (ibid) and fundamental change but of course, I recalled the rule, these excluded the senior executives.

Reflecting back on many years of sitting in at these meetings, the acceptable way of talking, was also covering over many other things that were happening. For example, not only was change subject to most seniors staying in-charge, through subtle forms of prohibition, new comers and younger members like me, were being trained how to talk and participate in acceptable ways at these meetings. So as time passed, these meetings and ways of talking, all as part of my training were playing a part in raising my awareness of, and therefore focus on the emergence of this particular theme, a social object in my experience. As I was becoming more aware of how people were behaving and talking, and as I got used to these ways of participation, I too started to join in such conversations (Shaw, 2002).

However, initially, when I was a new attendee, frequently senior colleagues would remind me and also sometimes each other, to focus on the *key objectives* of the meeting or to be a *positive* contributor to the discussions. We were 'mind-sharing' on a merger which I understood to be an identical understanding of issues and a single collective purpose. Meetings were talked of by others as if they had spatial directions i.e. moving forward, or to keeping discussions on track.

The M&As *talk* also included treating businesses as if they were persons. For example some companies were said to be young while others were mature. We were an industry player which the merger would turn into a bigger and stronger one. Similarly mergers were like marriages and the corporate team were effectively making sure that we were not getting into bed with the wrong partner.

Descriptions of the short list of the businesses in each proposal, were not only always grand, they often implied pre-existing states like budding or ripe. Also that getting the timing right would *leverage* or *unlock* their potentials, similar to how Scott (1999) describes imposing schematic visions about corporations. I always felt there was a sense of urgency by remarks like: the mediators had intimated Q1 next year as the latest they can keep other *suitors* away so we had a short window of opportunity to finalize the proposal and seal the deal. The social object of M&As was not just '*sense-able*' at corporate meeting and office talks but seemed to emerge elsewhere, in the media and the literature too. The presence of this social object was widespread and felt like a powerful disciplining of my thinking and behaviour. It was because of such influence that I always felt my non-compliance and not blending in at management meetings, would lead to my exclusion from future ones or even losing my job.

Enabling and constraining influence of the social object of M&As

Although the social object of M&As seemed to have an imposing influence, disciplining me how to talk and behave in an acceptable way, nevertheless over the years I have developed skills to portray the appearance of compliance and positive contribution whilst keeping my private thoughts to myself. For example, I was very careful at meetings what I said. I chose my words carefully and talked only about what I considered prudent hoping that my bosses would think that I had blended in. This, of course, raises ethical implications of my behaviour at such meetings, and also highlights another issue, namely that if such behaviour is *unethical*, then quite possibly I was not the only one with such private thoughts. Others too might have similar private thoughts and feelings which they might not judge appropriate to disclose and therefore others might also be behaving in an acceptable way. If I was justifying concealing or selectively revealing (Stacey, 2010:112) all my thoughts and adjusting my behaviour in order to hold on to my job or even to boost my career, then probably others too might have been thinking about their own conduct and survival, all pointing to the interpretive nature of ethics in M&As. So while ethical conduct was constraining my behaviour at the same time it was also enabling me to respond in a way that I considered good for my career whenever this social object was emerging in my experience. Such emerged collective constraining-enabling behaviour structures our participation in the living present (Griffin, 2002: 201) of local interactions that give rise to social objects in our experience.

Over time such constraining-enabling conduct has emerged as features of the dominant discourse about M&As as if it is regulating discipline when people are attending meetings and also engaging in these organizational activities. People demonstrating willingness and respect for the existing hierarchies and speaking the M&As language in enabling-constraining ways are also part of what is actually happening. The mainstream's focus on abstract notions of organisational wholes being integrated through M&As hardly explore these important realities. Abstract notions also fail to explore how the social object of M&As, as the emerging pattern of how people are behaving is also influencing people's behaviour. This is, through their conduct people become party to how the social object is emerging and affecting their behaviour but at the same time also enables them to go on together in familiar ways.

Furthermore, the social object understanding, the contingent nature of ethics and our interdependence means that even the most senior executives also need and rely on the support and cooperation not just of the participants at these meetings but also many others such as the shareholders, regulatory authorities and the media. Everyone, people up and down the power hierarchies are therefore involved in the emergence and evolution of the social object of M&As over which no one has absolute control. This social object is not only dictating and impacting our behaviours it also gives rise to habitual patterns of talking and behaving. At the same time our conduct, including what we might judge as ethical or unethical, gives rise to its influence, nature of its continuation and evolution. What is ultimately justified as ethical or unethical conduct emerges in the contingent situations we all find ourselves in. In the next section I explain another enabling-constraining feature of this social object, namely ethics in research.

The social object of M&As and ethics in research

Stacey (2010:226) points out that:

> if global pattern emerges in local interaction in the absence of any plan or blueprint for that global pattern, then it follows that one can only really understand an organization from within the local interaction in which global tendencies to act are taken up. This means that the insights/findings of the research must arise in the researcher's reflection on the microdetail of his or her own experience of interaction with others

For our discussions here a key word is 'the microdetails'. Exploring M&As in this way inevitably raises others ethical issues such as what I may include in my writing without disclosing commercially sensitive information, or causing offence and/or harm. Writing the first draft of each narrative is what my PhD supervisor called a brain-dump i.e. writing without holding-back in any way, to capture as much detail including my feelings, thinking and interpretations about some event of interest to me in a particular reorganization or meeting. So I wrote freely about my perceptions and judgments about what I thought people were thinking and feeling or who *actually* said what. I also included any foul language used or the rather less formally acknowledged issues such as my own sense of loss or grief. However, in a second read, and worried about who might read or get offended if my thesis is published, I change the names, cut out impolite words and generally modified my narratives. I aimed to do so without losing the points I am trying to make to reflect what my experience was like when participating in the actual local processes of interaction.

I then re-read it again a few times but each time, I did so as if I was a PhD examiner, a supervisor, some general future reader of my thesis and also as one of the actual people originally named in the narrative. I found myself changing words again and again each time that I was pretending I was one of these others. Each time I think to myself: would this or that change make my accounts safer to all those I am pretending to be or would any point I am trying to make change or get lost? If in making some change, I felt the point I was making got lost or was changing too much, I would choose and change the wording again. An example might be my anger over what I felt was a spiteful or revengeful redundancy of close colleagues by a new manager. I would reword the narrative whilst thinking how far I could go telling it as it was, as I heard or saw it, without causing offence to those mentioned, or embarrassing myself as I tried to preserve the original text? After changing the names, selecting 'safer' words and other changes, the resulting narratives often felt too flat, dead. So I changed my text around again trying to make the narrative a bit more alive while remaining mindful of the points I wanted to make but also writing sensitively out of respect for my colleagues should they ever read it. At the same time I am aware that it is impossible to know how others will respond when they actually read my work. This is also how I am responding to the social object of M&As arising in my thinking about how others might respond to my narratives and how ethics is influencing the way I am particularizing this in my research narratives. Of course the actual narratives that might eventually get read in a published thesis would have further revisions following actual discussions and comments by my PhD supervisors, peers or examiners as well as my own final revision.

So, the social object of M&As is continuously constraining and enabling me in my job. It is also constraining my interpretation of ethics as I filter my original *brain-dump narratives* and how I write what parts of the microdetails I consider safe to reveal. Likewise, I am guarded in writing about M&As and enabled by the risk of writing something and the risk of writing less to preserve my integrity and identity in my role at work. Next I turn to another theme of this social object, namely idelaization.

6.7.2 Idealization as a theme of the social object of M&As

Idealization in M&As happens when people describe their visions of a planned merger of two organisations predominantly in positive terms. These typically include better future sales, lower costs, bigger market share or other desirable characteristics for the merged businesses. When this was happening at our meetings, it often seemed as if people were sharing fantasies and their visions of the future. Such tendencies emerged and evolved as people were enhancing each others' descriptions not just at formal meetings or other office conversations by colleagues but also how others were responding when reading and discussing M&A announcements or press releases. These tendencies give rise to the social object of M&As and at the same time the emergence of this social object then influences such tendencies. This is not to say there are no other reactions or interpretations but here I am discussing the idealization tendencies.

The idealizations and fantasies however, are dependent on that merged business coming through with all the attributes that people were projecting on to their notions of 'it' in such conversations. Technical colleagues were happy as they envisaged bigger R&D funds of this bigger business; commercial colleagues described new opportunities in the bigger territories for sales and marketing whilst for corporate executives it meant being in charge of bigger departments, possible promotion or a pay rise. I too joined in by thinking and talking about new possibilities of being responsible for a wider range of new products.

Not only did such idealisations emanated each time we met up, they also seemed to induce more optimism and boost collective confidence about what we were about to do. In such conversations as we would add to each others' ideas and descriptions it was as if this process was also bringing us closer, everyone laughing, getting less formal, exchanging jokes about new job titles, bigger bonuses and a future that seemed very exciting. We often closed the meetings with most people looking positive and motivated to get busy with their assigned tasks.

The enthusiastic atmosphere, the assurance of collectively agreed lists of actions per team and everyone's own vision of the merged business was like an injection of energy and optimism that gave us a sense of coherence about what we each had to do to bring it about. At the same time all this, was influencing expectations about the future being better and brighter as a given, only if each of us fulfilled our part of the deal. These feelings seemed to feed into expectations not just me but colleagues too in the way they talked about the future.

As previously stated, I used to get so disappointed when things did not turn out as rosy as we had envisaged. I often related these post ante disappointments to that of speaking of mergers as marriages. Over time, I began comparing these feelings with how confident and optimistic I had been about a wonderful future after marrying the woman that I truly loved. These expectations (Illouz, 2012) of a wonderful life following love and marriage were probably influenced by how my childhood fairy tales used to end with: 'and they lived happily ever after'. So habitual conversations concerning idealizations of merged businesses were not only boosting confidence and expectations of a better future, at the same time we were setting ourselves up for future disappointments because reality hardly ever followed the plans.

Two aspects of this social object

Two aspects of all the mergers that I have experienced always feel most familiar. One was a growing attachment to that specific short-listed merger initiative which had those particular appealing qualities and characteristics which we had all collectively imagined and agreed upon. The other was the sense that having thought up so many reasons to proceed with that specific merger, without it the unmerged company was becoming more and more imperfect, incomplete. In each particular case we would invest so much time, money and energy describing each joint company, defining them and preparing for them that these 'imagined wholes' (Stacey, 2010:192) would seem to have a life of their own. This theme, of this social object, as it was emerging, was giving rise to these joint businesses as if they were each a coat stand. People, influenced by this social object, were piling on more and more desirable descriptions and qualities onto each *coat stand*.

After months of going over the merger plans including, on my part, the product integrations and thinking and living what the merged businesses could mean, the attributes of our idealized imagined wholes would become like my mental givens. This social object is so powerful that it was making it difficult to resist the influence such a way of thinking and continue to work from the perspective of complex responsive processes of relating. These features and attributes would structure my consciousness and over time I would start to take it for granted that they only existed in my mind as recollections about discussions in meetings and forget that these were fantasies.

What is important here however, are the ways that these fantasized businesses seemed to provide familiar settings to enable people to make sense of what we were doing and going on together with some coherence. They had come to mean a way out when we were in trouble. Travelling on a business class tickets and staying at nice hotels all over the world to attend meetings was all part of exploring M&As as formally endorsed efforts to create better businesses. Our expenses were justified because we were creators of the merged businesses and definers of their characteristics. At the same time these characteristics would become how we could think and talk

about them amongst ourselves with some coherence enabling and constraining these particular local interactions.
A claim of the thesis is how understanding M&As as social object enhances our awareness of the emergence and evolution of such processes in local interaction. It is in such conversations that the merged businesses began feeling like a legitimate public coat stand. I always felt encouraged and obliged to keep on adding to it. At the same time, in doing so I was influenced by and influencing others.

6.7.3 Other response to the emerging social object of M&As:

In chapter two, in relation to company valuations, I described another example of generalization-particularization in the contingent situation of each initiative. Under the title of 'gaming', I reflected on what my boss had described as *dressings up* the company when they were looking for potential buyers. Dressing up involved *outsourcing* e.g. of instruments final assembly or certain development trials so that they could *release* often highly paid R&D staff and hence improve the attractiveness of the company for potential buyers. This, I was told, over and above reducing the wages bill, would increase the ratio of our turnover to the number of staff. Furthermore, there was nothing wrong or dishonest, said my boss, about this 'harmless gentle manipulation' especially when such ratios are a parameter in company valuation reports. So after being advised by our consultants and discussing it at our internal meetings, my bosses had joined in this game because others were doing it. The irony was that the buyers' consultants were also advising their clients to be mindful of these ratios and such dressing up exercises. So in dressing up our company we were assuming that others would also be doing it at the same time and these; others were probably assuming that everyone else was doing it. The consultants, meanwhile, were advising everyone, based on their own assumptions that they believed others were doing it.

It is therefore in conversations that the general ideas about integrating businesses emerge, are articulated and particularized as some new initiative giving rise to the emergence of this social object. The subsequent minutes of the meetings, announcements and proposals, also as part of these games, are necessarily generalized and very carefully prepared statements. Our thinking when playing these games and our gestures are important in how large numbers of others respond to these gestures. What then happens depends on how these gestures are taken up by others in their local interactions. These include responses that emerge in the local interaction of the members of the two organizations and between them and others involved in these organizational activities. The social object of M&As continues to evolve as these interdependent people respond to each others' gestures. It is in such a context that many people influence and are influenced by the social object of M&As as they co-create meanings, expectations as well as ethical and unethical behaviour.

Many might enthusiastically support a merger proposal initially, while others might be less enthusiastic or even pretend to be supportive. These attitudes are not fixed states and people might well change their opinions, enthusiasm or ways of cooperating with each other at any time and hence what is emerging. For many, mediating, advising, financing or writing regulations about M&As is nowadays a profession whilst for others including myself as a technical manager, supporting them at meetings is sometimes part of what Scott (1992) calls my public transcript or strategic pose which I relax when talking to my family or PhD peers and supervisors. But we all might change our opinions through our local interactions. Stacey explores how the formal conscious legitimate themes as well as 'the informal conscious/ unconscious shadow themes pattern our communicative interaction. These themes also reflect unofficial ideologies, conscious and unconscious, that may well undermine official ideology and so shift power relations'(Stacey, 2010:155).

The focus of this research has been to draw more of readers' attention to the impact that the social object of M&As can have on our local interactions. This includes the largely unconscious processes where, this social object, through our participants, gives rise to co-created cultures of expected conformity such as 'staying on the same page/wavelength' to create better businesses through M&As. I am convinced however, that most people do so with the best of intentions rather than out of pretence. However, even our best intentions play into each other, as the social object of M&As constrains and enables our local interactions and the subsequent evolving patterns that no one can predict. I am highlighting how, this social object, even though it is our own familiar and co-created pattern also has the dynamics of obliging participants to observe the widely accepted ways of talking. In a social object understanding of M&As I am drawing the readers' attention to the lived experience of these realities not previously explored in mainstream M&As literature. This understanding draws on how M&As as social object does not have any existence outside local interaction rather it is experienced as a generalised tendency to act in particular ways by large numbers of interdependent people in the context of their activities of merging businesses. In this understanding focus of attention is on the experience of this particular theme of our complex responsive processes of relating as people are engaging in such activities. Our experience also gives rise to our evolving and emerging feelings which affect what are often expressed as the outcomes.

Next I will discuss how people react to the emergence of this social object in post-merger times.

Post merger times:

Every merger initiative gives rise to its own particular ethical considerations, idealizations as well as various expected outcomes often expressed in the proposals, implementation plans including reorganizations. These emerge in meetings and conversations of different groups of people particularizing what each specific merger might mean for them. When, in the reality of bringing people of two organizations together, things don't turn out as predicted and all the wonderful things people thought possible start to look less and less likely then each of us start to think of a way of dealing and coping with what is happening. This gives rise to emergence of new patterns of local interaction including new power relations often challenging our sense of identity. For example when Joe, despite telling everyone that he was going to become the new Head of International Sales, did not get the post, he changed his pre merger supportive attitude towards the merger. He behaved so uncooperatively that made life difficult for many and in the ensuing power struggles, he was made redundant.

Similarly when I was told that my new manager was going to be Adam who, I disliked, I too changed my behaviour. In another merger, when some R&D engineers were not invited to the design review meetings at the new headquarters, they hacked in to the newly formed company's web site and inverted the new logo. Of course, sometimes new relationships and alliances emerge which become important to and appreciated by people working together in the new joint business. Sometimes a group of them decide to oppose the new owners or reorganizations, as it happened in the RFTS example which I described in chapter three. Since I was the Business Development Manager for this products line, I was invited to meetings for turning this department into a separate division with a view to selling it off. Justifications included a new source of much needed cash, RFTS not being a core business of the new merged company etc. without any mention of the internal staff difficulties. Spin-offs, divestitures or complete reversals as outcomes account for half the M&As I have lived through. All of these emerge through the interplay of people's gestures and responses playing a part in the various ways that this social object evolves in our experience.

Closing remarks

In this chapter I have presented the emergence and evolution in my experience of M&As as social object. This includes low expectations in the early years as a fresh graduate starting work with little experience of M&As except abstractions about growth and improvements, understood through others, to being made redundant, anxieties, loss, feelings of being ‘done to’, anger and blaming the top executives for all that went wrong through M&As. In later years and through being invited to M&A meetings (joining the doers) my experience of the social object of M&As incorporated a sense of status for being included, power and colleagues idealizing merged businesses at these meetings before they had existed as well as confusion when even the senior executives prompting these initiatives ended up being made redundant. Furthermore the nineteen M&As I have lived through rarely turned out as announced or discussed at management meetings.

I also reflected on the evolution of my sense of social object of M&As through literature, the skills built up to address the ever more detailed ‘game’, the emergence of a ‘market’ in M&As and professional advisors as evidence of embedding of the idea of M&As and therefore their highly evolved interactions as social object.

My sense of social object of M&As, reflecting particularizations in our nineteen initiatives offers insights to the generalization itself. What makes a social object view relevant as a theme of my thesis is the emerging, evolving nature of making sense of change and continuity through M&As.

A social object view together with the less acknowledged idealizations also contribute to extending our understanding of M&As as a particular theme of the complex responsive processes of human relating when merging businesses and is presented in the next chapter.

Chapter 6 M&As as a theme of complex responsive processes of relating

Introduction

I present an understanding of M&As as a particular theme of complex responsive processes of relating and explain how this is helping me explore my experience of change and continuity through these activities. I also explore culture often explored as a major consideration in mainstream M&As literature.

Since I am exploring change and continuity through M&As by reflecting on my own experience, I will also discuss the challenges that this presents to justify as typical in various ways of what might be going on for others in similar situations. This is done in the context of the narratives of our gatherings at Puerto Rico, Malaga and design review meetings at Utica, Copenhagen and Yokohama.

I reflect on my own unexpected change of attitude and responses ranging from anger, withdrawal or rejection of post-acquisition reorganizations to empathy and endorsement. These changes and responses were influenced by how many of the announced aspirations were never realized; or barely achieved and much later than envisaged, and at higher expenditure than initially envisaged. People routinely blamed the failures to achieve the declared aims on unforeseen circumstances. I argue that it was aspirations, idealizations and the evolved expectations that M&As seemed to induce which prompted the merger or acquisition proposals. The expectations that the merged businesses would be bigger or better had a powerful appeal. Combined businesses offered new possibilities including economies of scale, market share or acquisition of new technologies that made the non-merged organizations seem less graceful when compared against these possibilities as they didn’t offer the same potentials.

I argue that scenarios in combining businesses, exploring potential benefits, possibilities and reorganizations emerged and evolved in local interactions. For me and probably others, remaining aware that these scenarios and potentials are and depend on outcomes of deeply embedded social activities is not easy advice but has reduced my sense of disappointment and anxiety and moderated much of my previously formed expectations arising predominantly from mainstream organizational-scale literature on M&As.

6.1 Teaming people

In chapter one, I reflected on the announcement of the acquisition of Photonetics at our 2001 annual meeting held at Puerto Rico. Here I reflect on other aspects of my experience including what felt like mechanical-teaming of people and a sense of extravagance at this meeting. Of the 400 staff flown in, all on business-class tickets and limousine transfers to the luxurious beach resort I only recognized a few faces. Many I had previously known as members of the competition. The Apollo 13 astronaut, Jim Lovell, flown in by helicopter, was our motivational speaker at this event. This, it transpired, was Paul's idea, the new vice president of marketing – recruited from Ford Motors. Ian said that Paul had no university education and phlegmatically speculated about Paul's 'astronomic salary'. That night Paul introduced himself to many individually.

During the opening presentation standing on a star-lit, globe shaped stage, set up like a glittering sky at night, Jens, our CEO, announced that our company was (pointing to a massive star-lit poster titled Great Leap) entering new frontiers (presumably like the Apollo mission). We are determined, he declared, to capture the highest market share in new frontiers. During an interval, Ian, David and I discussed the possible cost of the astronaut speaker and his arrival by helicopter. One of the key plans according to Jens was: 'to grow rapidly through acquisitions. Please ask any questions you wish, because we want everyone onboard'.

Later that night, Dave and I shared our reservations about the extravagance of the event. We also shared our apprehensions about Paul coming from a motor industry background to a telecom business 'leading us into new frontiers'. I didn't like the mass hiring of our competitors' staff (some of whom I disliked) and being grouped together as one team. To me this felt rushed and imposed. I felt resistance growing within me about that event.

The next day, we were told to join special sessions arranged in various rooms for people to discuss and bond into teams for tasks including geographic coverage and key accounts. To me the whole thing seemed rather mechanical and insensitive to people's views and feelings. What particularly put me off was how Paul instructed us to make a list of more 'good' guys to recruit from the competition. I asked 'for what positions, for what products or if these vacancies had been internally offered to existing colleagues'. 'No' said Paul, 'We need people, at all levels as we enter new business arenas. If we don't move fast we will fall behind or be taken over … '. He hardly mentioned products, customers or staff. Instead he talked about share prices, profits in the context of stock market expectations, comparisons with the competition and 'the big picture'.

6.2 Reflecting on the emergence of some emotions

Following that conversation, I felt angry at senior management for what I considered heavy handedness and insensitivity. I also felt some jealousy towards Paul; at how as an outsider he had gone straight to the top. I was surprised at how little he seemed to know about us or our products. I felt frustrated in being one of his sales managers and that he just needed ‘more’ as if we were ingredients for his project. I related this to how little he seemed to think of people and individual identities in ‘the big picture’. I felt uneasy being in his company and tried avoiding him.
I wasn’t sure if the jealousy I felt towards Paul was, as Ian had put it, because of his astronomic salary, the extravagance of the event or feeling like one of his ingredients. My resistance grew when, in a brief one-to-one chat I found out how little Paul knew about the telecom business which I had been proudly part of. I then felt more anger over his appointment. Or was my anger because I felt that my twenty years of experience in telecom business seemed less important compared to someone from car industry?

Paul’s presence seemed to have brought Dave, Ian, Steve and I, closer as we found ourselves chatting on the back lawn with other colleagues who had also sneaked out of their various ‘team building’ sessions. This reminded me of Elias and Scotson (1994) exploring how a group of people might try monopolising their power chances and use them to exclude and stigmatise members of another very similar group and how that is experienced in the collective `we-images' of both groups.

We talked about how we saw success in business as the result of delivering products that our customers wanted. We could charge more if our service and delivery was better than our competitors or if our product’s design or functions helped our customers meet more of their needs at lower cost. In this context, we saw the job of our top executives as that of exploring ways to achieve such objectives rather than growth through acquiring competitors on the back of share price rises.

But it seemed that our top executives had developed a new perception of their role as some sort of investment fund managers buying up companies to run a portfolio of businesses. We speculated about the reason for this shift. Was it the thrill of higher stakes? Ian said that the costs of buying and selling companies were higher than buying raw materials, designing and making instruments and seemingly more profitable. For Dave it was the image that grander skills and finer judgments were required to make more money through acquisitions.

Recruiting Paul also reminded me of the theory behind the formation of conglomerates of 1960s that 'the best and brightest can manage anything'(Wasserstein, 2001). I said that recruiting Paul seemed naïve as I thought the days of business supermen were long gone. I found it difficult to sit in on four days of self congratulatory power point presentations, and sought comfort amongst those who were also feeling uneasy about the acquisition. Paul's key vision, as I understood, was to recruit as many managers from our competitors as possible, supposedly to discredit competitors' market image as if they had defected to us plus more acquisitions. I felt that our corporate managements' conduct and ways of thinking were giving rise to a new cult and values. Cult values as Stacey et al describe 'are highly idealized views of what is possible for the future, stripped of all obstacles to its achievement, which are ascribed to some imaginatively constructed whole' (2005: 16).

The imaginatively constructed whole for me in this context was the vision of our company made up of all the combined acquisitions and the highest market share in telecom industry. However whilst my wishes for a better future for our company were probably the same as our executives, in the light of my own feelings and conversations with colleagues, I felt that their confidence was misplaced. The products of Photonetics, a French optical components manufacturer that had been purchased during only a three month period, it turned out, were not conducive to the mass production techniques for which the company had been acquired.

We were all also to be retrained by outside consultants. There were times when there were more external trainers around than staff. I wondered about the costs of these activities. Then again I thought that the share price rises were providing so much cash that such costs seemed less relevant. These thoughts fuelled my anger and at times I felt overwhelmed by a strong sense of non-cooperation (Sennett, 2012). Furthermore, I felt that open scepticism of what most, including the senior management, seemed so convinced about, would risk me being labelled a killjoy, if these initiatives succeeded. Conversely, I would not be popular if these plans did not work out. I wasn't sure myself how things might turn out, but the high confidence with which our executives seemed these acquisitions would lead us into new frontiers was contagious. I reasoned with myself to go along with the flow as I recalled Keynes (1932) cited in Kregel (2008: 4) that at times 'it is usually better to be conventionally wrong than unconventionally right'. I hated myself for adopting this stance and behaving cowardly.

Chia (1998) in the context of the complexities of being human suggests that the paradoxical nature of our behaviour makes management an aesthetic issue and according to MacLean et al, these complexities don't 'really fit into the traditional [management] project with its concern with control, reduction, prediction, formula, efficiency'(MacLean, 2006: 278)

Yet the glittering posters and banners appeared to have a beautiful future mapped out for the combined company, including substantial sales graphs and new markets for the integrated products. Furthermore, most colleagues seem excited with the thrill of these possibilities and our future growth. Because of my previous experience, I felt less excited and more apprehensive but it was hard not to get affected by the entire buzz so I too eventually joined in. Griffin (2002: 21) refers to how the way 'leaders form strategies and plans for change before action, and persuade others to follow them, is clearly based on the notion of thought before action'. He argues that the subtle aspects of human interrelating mean that ethical judgments are only possible in reflection. But I gradually felt persuaded more and more because the number of others who seemed so overwhelmingly persuaded kept increasing and I did not want to risk being excluded.

Following the Puerto Rico announcements, reorganizations became frequent and sales dropped. A pattern emerged where many colleagues were either defecting to, or being headhunted by the competition. Six months after the announcement, our company was declared bankrupt. We were then acquired by AXCEL who immediately released 1,000 staff including Paul, Jens, David and myself.

The reflections above are not to ridicule M&As. However, when managers embark on merging businesses, new themes of interaction arise. What happens next 'depends on how people take up various themes .. in their local interactions with each other' (Stacey and Griffin, 2005: 8). In their assessments our executives must have carefully considered the circumstances at the time. But I am also highlighting the other local interactions present in integration activities emerging as the interplay of people's intention through these local interactions (ibid) which I will discuss further in the following sections. These local interactions played their parts in all that emerged and are aspects of my experience of change and continuity through M&As that organizational-scale literature, by and large, overlooks.

6.3 Living through post acquisitions integrations

Donald Rumsfeld, the US chief of staff 2001-6, was mocked by journalists after a news briefing about the Iraq war for using the phrase ‘known unknowns’. He was talking about issues that were either anticipated (known unknowns) or completely unexpected (unknown unknowns). BBC reported Mr. Rumsfeld’s remarks as ‘gobbledygook’ (2007). Yet having lived through many M&As, these remarks are probably the closest to describe my experiences of M&As. I knew that there would be changes in relationships and quite possibly to my own and others’ jobs or the scope of our responsibilities. But what, when or how these changes would come about, is uncertain. Under such circumstances, I just knew that there might be more new faces joining or departing than non-M&A times. I didn’t know how we would be reorganized or even if I would be made redundant. The shame of not knowing, the risk of redundancy, the uncertainties, not knowing how the changes would impact me and hence those who depended on me, was at times be unbearable and reduced focus. For me the intensity of such uncertainties often overshadowed any favourable aspects such as working with new and interesting people, projects or even better prospects that might emerge.

Chabris and Simons (2010) question conventional wisdom on rationality and the workings of our mind about what we know (or don't know) and how ‘we only pay attention to what we think matters’ mostly risks (ibid). Their work resonated with how I was focusing on disruptions to projects, ending of relationships and redundancy worries. It was as if through the turmoil of previous upheavals through M&As I had developed a ‘bias that things go badly’ (Baron, 2000: 161-5).

With such a mindset I enjoyed reading Mitnzberg’s (1993) explorations on the emergent aspects of strategy. He reflected on the first ten years of his career working first at his father’s family firm and later at other firms about his experiences of life in organizations calling it his reconstruction of reality through his own perceptions (Mintzberg, 1993: 2). He describes how what managers often seemed to do was to leap into a situation, scan various aspects, make a quick decision about one, then on to another, spending a few minutes on this, a few minutes on that, and it always seemed disorderly. This resonates with my experience of many of our reorganizations. Mintzberg and Waters {, 1985 #573: 2} used the term ‘emergent strategies, elaborating on the concept of deliberate and emergent strategy’ as efforts to reconcile deviations between intended plans and unintended events which cause deviations from the original plans. Mintzberg explained that many of the intended plans were never realized and faded away due to circumstances. In addition to the original plans, all sorts of other events happened that nobody foresaw when preparing the plan. Also these unintended events too contributed to how ultimately things turned out. He called these the ‘emergent’ elements. He does emphasize that emergent issues are not necessarily wrong or inferior just because they were not envisaged in the original plan. Equally original actions or plans are not all necessarily right just because they were in the original plan. Similarly, Stacey et al (2000: 7) describe how ‘organizational life never proceeds so smoothly that choices are always realized, and chance events have also to be dealt with ..’ as emergent elements which are often regarded as just a matter of chance and also that there is not much people can do about them.

Mintzberg and Waters {, 1985 #573: 2} elaborating on ’pure deliberate and pure emergent’ argued that the actual outcomes are always combinations in which some elements happen by chance and some intentionally. And it is the exploration of what are considered to be the things that happen by chance and emerge as unforeseen, which I will now turn to because they contribute to a view of M&As as complex responsive processes of relating.

6.4 M&As as a theme of complexity responsive processes of relating

Stacey et al emphasize that unlike agents in computer simulations, humans ‘are conscious, self-conscious capable of emotion, spontaneity, improvisation, imagination, fantasy and creative action’ (2008: 7). Furthermore, as social beings, in our interactions with each other, we establish power relations between ourselves and exercise various degrees of choice as to how we might respond to others which in turn involves various forms of evaluative criteria. Our choices are a mix, some conscious and intentional, some unconscious and unintentional. ‘The criteria for evaluating choices are values and norms which together constitute ideology’ as explored in some depth in Stacey and Griffin (2005: 13-22) .

In such a context complexity refers to the essential features of the process of how we respond and interact with each other. The complex nature of our interactions with each other also means that there is very little fluidity in these processes compared to rule-following beings e.g. compliantly going along with merger plans. Indeed the complex nature of people’s responding has always embodied a paradoxical sense of stability that through M&As matters ought to continue or improve but at the same time potential instability in how nothing felt the same. For example how this sense grew due to my responses to the appointment of Paul as described above, the mass hiring of competition staff and my doubts in mechanically teaming us together, whilst at the same time, based on executives announcements telling us things would get better. And if this was going on for me, I would imagine that, to varying degrees, similar thoughts and feelings might go on for others too.

An implication of the nature of our responsivity is a distinctive attribute of being human that would make it impossible for me to think of the outcomes of M&As as deterministic. Stripped of the razzmatazz, announcing mergers, estimating turnovers or profits three or five years on, were acts of imagination and essentially executive gestures. To realize the benefits the merger proposals need to be actualized in the specific and contingent local interactions as they are interpreted by everyone involved in our living present. In this context, the unpredictability and the way matters take unexpected turns are all too familiar for me.

Contrary to Mintzberg's assertions, what is important is that such unpredictability does not mean that events just happened randomly or without any reason whatsoever. What emerged as the outcomes in M&As happened precisely because of what we did or did not do and the way we had responded to what each proposal and each implementation meant to us as individuals and also collectively as the newly formed businesses.

However, as I began this research study and not being aware of the complexity of human interaction and how it limits bringing about deterministic change, I tended to demonize M&As and mined the literature to support my stance. What I have since learnt is that in our processes of local interactions, there are no 'invisible hands' (Smith, 1976: 37) mysteriously directing outcomes, nor did events happened by chance. Indeed instead of chance, precisely what each of us do, or do not do, influences what emerges and is experienced in our living present. In such a context the invisible hand metaphor had induced a sense in me that emergence and unpredictability were the influence of invisible hand(s) i.e. outside and outsiders, diverting attention away from local interaction.

My interpretations of change and continuity through M&As was in terms of and influenced by my notions of invisible hand(s), companies and people as separate, businesses as wholes and executives in-control. I now see the market share, turnover or size of combined businesses at any one time, emerging as the outcome of the countless complex local interactions that took place as people interpreted, reflected and responded to the proposals and to each other in their local interactions. The outcome of each proposal to move, shutdown operations or reorganize departments emerged through complex responsive processes of local interaction which I now understand in terms of social acts. And the outcome of social acts cannot be planned or deterministically predicted.

The mainstream discourse also had me believe that change through combining organizations would be in terms of growth and improvement, which I understood as; there are right and wrong ways of undertaking M&As. So when our M&As don't turn out as envisaged, we had mismanaged them. Another perception was that selecting which businesses to combine was also part of executives' skilfulness in getting the 'correct' mix of product lines, cultures, market position, and the right price to pay.

The literature enforced the view that M&As formed part of the 'longer term planning and responsibilities of corporate executives' (Pike and Neale, 1998; Cosh and Guest, 2001; Thompson and Strickland Iii, 2002; Sudarsanam, 2003). All the telecom companies I have worked for, allocated resources to M&As, compiling plans containing projected turnovers, sales targets, profit forecasts, outlining the evolution of joined companies over three, five or ten-year plans. What is now clear to me is that these perceptions and routines all played a role or influenced our processes of local interaction. Throughout the 1980s and 90s, my Western executives envied and admired our Japanese competitors who allegedly had twenty and fifty year business plans.

Combining organizations inescapably involves people and their local interactions. People have motives, intentions and personalities which are formed by their life's experiences and thus respond differently to changes and circumstances. Bringing companies together are deeply embedded in social activities. Unpredictability and potential for transformation are integral to social acts making it impossible to assume outcomes emerging this or that way, or as good or not-good in advance.

So far I have discussed the processual nature of integration activities. Drawing on the narrative below, I will present another aspect of a view of M&As as complex responsive processes of relating, namely the potential for transformation and emergence of new interpretations.

- **Transformation .. NetTex acquisition 3 Years on**

The third annual meeting after the acquisition was held again (Oct 07) in Malaga. Choosing Malaga again, I learnt, had been a compromise between portraying an image of normality and also affordability because the company had remained under financial pressures. We were half the number just after the acquisition in 2005 and forty more people had been laid off the previous week, because sales had not grown.

Per (a Danish colleague) whispered that Jim was among those laid off. Whilst Per and I had belonged to the acquired NetTex, Jim had been an Britsu Director i.e. the acquiring company. Some memories flashed through my mind at Jim's news. The last time I had seen him was at the UK headquarters where I was hosting a distributors' meeting. Jim walked through the office, smiling, stopping and small talking to people, but walked passed me deliberately ignoring me. Jim had joined Britsu fourteen years earlier and many considered his position as sales director, invincible. Jim and I had previously chatted a few times but why was he openly ignoring me? I felt embarrassed in front of my distributors. On hearing about Jim's redundancy I interpreted the redundancies as unbiased cost cutting, especially as our UK sales in particular, had dramatically dropped.

Jim's redundancy triggered other changes in me. Up until then, I had grouped all Britsu management together as the outsiders (Elias and Scotson, 1994), the raiders (Herman and Lowenstein, 1988), the aggressors (Silver, 1990) who took us over and butchered NetTex. I saw Britsu as the richer guys who bought us for our share of the niche telecom market we had developed in the post dot com calamity. I was hurt deeply over earlier redundancies of my close colleagues and viewed their redundancies as biased profit maximization. I had felt angry with Britsu and monitored the job market for opportunities to leave. Being acquired by Britsu resonated for me with Pascale's (1990) views, seeing conflict, not caring, as the essential quality of successful companies who stay ahead.

But redundancies on the acquirer's side including Jim's made me reflect differently on the events. Indeed it was people on both sides who had been made redundant. However, I had attached more relevance to my old colleagues' redundancies. For example, I had dismissed it when in small gatherings of a mix of Britsu and NetTex people, the Britsu guys expressed worried about their jobs. I had put it down to gestures of sympathy and politeness. Many such incidences flashed though my mind and new interpretations of previous events began to emerge. In the words of Stacey and Griffin (2005) ".. past is not a given, however, because in each present we reconstruct, we reinterpret, the past .."(p.16) that could give new meanings that affects the present. Similarly, Kay (2007) explains how our predispositions influence interpretations and mostly we seek interpretations that tend to validate our initial dispositions.

But Jim's redundancy triggered a reduction in my anger. I felt a new sense of empathy with Britsu management. A new understanding towards Britsu began growing within me. I began to feel guilty for the way I had repelled their approaches for my opinion on various matters. I felt guilty for protecting colleagues just because they were ex- NetTex. I felt ashamed for feeling smug at hearing Britsu's financial problems. The news of redundancies however, was overshadowed by the more urgent financial problems that we seemed to be facing. Britsu's survival and mine began feeling intertwined. Returning to the office the following week, I felt a new person, determined to help in my own small way by closing as many orders as I could. I was feeling different about Britsu although I was neither involved in nor ever had any knowledge of the redundancies. So in the next section I will compare how I am making sense of the above experience and the wider literature that discuss people and individuals in M&As.

6.5 Some literature views on M&As that focus on people

Despite renewed enthusiasm and reaching my sales target, Britsu's financial difficulties continued. The following year, another division of the old NetTex was sold off although this time I read the announcements sympathetically. Five years on, the envisaged improvements in sales, profitability or market position had not materialized. The literature views include causes of 'failure' in M&As. Spiers (2007), for example, argues that since 'M&As constitute a threat to social identity [as they] disrupt longstanding patterns of relating between people.. new relationships and connections do not form and, consequently, new identity does not emerge. Hence, M&As fail'.

Others (Porter, 1987; Ravenscraft and Scherer, 1987; Kaplan and Weisbach, 1992) discuss empire building or agency problems asserting that self-assured managers undertake M&As to increase their own authority, status or control. According to these studies, most acquisitions are cosmetically dressed up as targeting efficiency gains, but a few years afterwards, they are divested. An alternative view, sometimes called 'experimentation' (Klein and Klein, 2001) similar to a 'market process' view (Boot et al., 1998; Matsusaka, 2001) holds that only ex-post can M&As be judged as unprofitable or otherwise. According to this perspective acquisition failures may also mean emergence of new unknown information to managers and as such these become 'lessons'. The sell offs or divestitures are more of a reassessment of the previously held views by the managers. Such authors consider that management could only learn of their firms' capabilities by trying different combinations of activities, which may well include M&As in their own or new industries. So 'experimentations' generate lessons (Klein and Klein, 2001:8) that can be used for revising plans, which could complement the overall acquisition strategies.

The experimentation and lessons views no longer resonate in my experience, firstly because our executive teams had not been the same individuals in consecutive M&As. Secondly, businesses neither learn nor experiment. Learning, experimenting or sneezing are what people do. To talk about lessons also implies that with practice, M&As can be got 'right'. It overlooks the notions of businesses as wholes. The proponents of the experimentation views argue that, the outcome of the M&As are not governed by the pre-merger characteristics (e.g. profitability, turnover, market share or culture) and should not be classified as 'empire building' and premeditated managerial self interest. Here the pre-merger characteristics are being reified. Similarly, Mises (1949) in the context of multitudes of human actions reifies classes of events that share certain characteristics attaching 'case probability' to each event but argues that 'the outcome of action is always uncertain. Action is always speculation' (p.252). Mises's (1949) and Klein's (2000) views on M&As as experimentations, do however include people. For them the managers undertaking M&As, are entrepreneurs and speculators eager to utilize their own

> opinions about the future structure of the market for business operations promising profits. This specific anticipative understanding of the conditions of the uncertain future defies any rules and systematization (p. 585)

Nonetheless, even such studies still hold the view that businesses are what managers (outsiders) speculate and experiment with. Also such elaborations overlook the fact that good, right, successful or otherwise judgements are made (often retrospectively) by people. Not only are financial or other analysis done by people, these experimentations rely on expectations of variables, for which the range of outcomes, and the process by which the outcomes are revealed, ought to be reasonably well defined. Moreover, these objective approaches overlook giving credence to the coherence and static view of business analysis as if they are dealing with facts and figures about physical objects.

On the other hand, M&As viewed as a particular theme of complex responsive processes of relating could raise awareness that what in reality emerge as outcomes reflect a mix of the prevailing opinions at the time, choices, circumstances and the interplay of participants' intentions and interpretations in their local interactions (Stacey and Griffin, 2008). In this context I understand the experimentation view as abstractions and articulations of interpretations about M&As. These may, at times, resonate for me too. In our temporally established paradigms, there are no criteria of truth other than what each of us generally believes to be true for us. In divesting divisions of various acquired firms my mangers referred to them as 'non-performing' or 'non-core' divisions and yet the same division were probably perceived by the purchasers as a 'good' buy. So in M&As buying and selling businesses and divesting divisions are discussed as-if they are wholes to be experimented upon.

I am contesting the beliefs and assumptions that, in-a-taken-for-granted way, M&As are growth and/or improvement options that can be got 'right' and that of combining businesses as wholes. Since even the more recent studies talk about experimentation, learning, objectiveness and rationality in relation to M&As, I have explored the nature of these assertions in relation to my own experience. As my narratives have depicted, what is actually going on in combining organizations is far more complex than simple notions envisaging the right firms to combine, 'choosing' the right techniques and due diligence procedures to bring about envisaged merged businesses. My reflections highlight that it makes little sense to talk about applying mathematical and statistical analysis to predicting how matters might proceed when newly grouped individuals are brought together as merged businesses. However, the dominant discourse reinforces the above beliefs and assumptions in focusing attention primarily on the visions for the joint businesses, experimentation, patterns and looking for trends in previous M&As. My Quest Mobile report, theme three in chapter one, prepared for Lars not only served as a fig leaf it also reflects collective and individual ideologies and elaborate distortions of the reality of a product still under-development. My accounts as put up on the web portal and its bogus technicality are aspects of our complex responsive processes of relating. In organizational-scale approaches, there is hardly any scope for inclusion or reflection on the ways in which colleagues and I, in each and every interaction were pre-occupied with power and identity issues in our local interactions and what each bit, each part of each initiative might have meant to each and every one of us in each living present.

An understanding of M&As as complex responsive processes of relating is stimulating different thinking for me about change and continuity and my experience through them. In this understanding our organizational-scale discussions about businesses are also themes of local interaction and profoundly impact how I articulate what I might refer to, or judge as this or that outcome or 'end-result'.

Our advisors and executives too, in their roles, and when invited, technical colleagues and I, all participated in local interactions with each other. As my reflective narratives depict, the nature of our interactions was far more complex than organizational-scale analysis about which businesses to combine. These complexities relate to the various ways they reflect society-specific generalizations and idealizations as our habitus (Elias, 1991:10) most of which we were not often conscious of including in our ideology-influenced choices. These frequently emerged as differences of opinions leading to compromise, persuasion and negotiating divergence. For example how Joe instructed me not to report to the new management, Adam treating R&D colleagues as if they were consumables and I did not agree, or Lars outsourcing development projects to reduce the company's headcount (dress-up the company) for acquisition.

Culturally appropriate behaviour (see later section) e.g. respect and politeness to establish and/or maintain relations. For example when I supported Mr. Yamaguchi's choice of Dubai for the new office location, observing casual dress code for the US and formal suit and tie for Yokohama meetings. In the post-acquisition scenario, for example, people new to each other tested, challenged, supported or undermined each other as when Adam fired me and then Lars hired me back that shifted or induced new patterns of power relations. Mostly these were done in appropriately selected contexts to avoid overt / direct confrontational challenges but used instead in socially acceptable, ways as in Adam informing HR that Farshid was not needed but Lars saying Farshid is to head the RFTS business as a post acquisition strategy.

Work to rule or pretence during integrations as in when STC and NetTex engineers got upset when design review meetings were moved to Canada and Japan, or previous company websites were shut down which led to these people not using the their newly issued e-mails, or hacking into the corporate websites. These unexpected resignations and ensuing disputes eventually lead to the divestiture of the RFTS division. Also how I was responding to my post-acquisition boss in one-worded e-mails as a pretence to replying. People during integration might adopt obtrusive behaviour in responding to top-down head office decrees or rulings in which they pretend to comply with the new rules/policies but also find other ways of pouring sand in the wheels or block, even undermine and countermand the new organizational rules. These hidden forms of resistance are responses emerging in local interaction to original merger proposals that also influence outcomes.

There was also the ending of relationships that I cared about, my sense of loss and grief or the initial hostility which changed to empathy in the above narrative about Jim's redundancy, also enable and constrain local interactions. So it is through local interaction and efforts to make the general - M&As - specific that the idealized envisaged combined entities were emerging through conversations and generally working together. Our responses emerged in each living present in ways that were not predictable but rather continuously emerging and evolving as aspects of my experience which are then reflected in my narratives as themes of power, identity and ideology.

An understanding of M&As as a particular theme of our complex responsive processes of local interaction involves acknowledging that idealizations of merged entities and the interplay of peoples choices play a part in what emerges as the many outcomes of these organizational activities and our experience of them. This understanding includes viewing M&As as social object and holding on, rather than explaining away the paradoxical sense in power relating, identity and ideology as resonating in my narratives.

My emphasis on a more thoughtful awareness of our everyday forms of experience for extending our understanding of change and continuity through M&As might be interpreted as a prescription, i.e. advocating reflection and focus on one's own experience. Firstly I argue that we cannot have a wholly unique human experience or no-one will understand, empathise or disagree with my assertions, narratives or relate to my experience. What is important for research purposes however is that enough similarities may be assumed for others to identify with my experience/narrative but I do not expect complete sameness in others' experience!

Furthermore, there was and never will be a single explanation or outcome for M&As– only narratives of our experience of what we live through. Whilst in my proposals I aim to provide insights into the way things have been for me, these accounts would be very different from how others might describe them. A different account may well come from other professionals and or academics who might piece together and compile a different narrative from their experience. Even then, there would be many such narratives, some sounding closer to others experience than others – each inevitably unique and would resonate differently with different readers at any one time. Furthermore, various aspects of the same narrative even for the same reader might well resonate to a lesser or greater extent each time it is re-read.

Due to the recent rise and emphasis on culture and cultural due diligence in the literature, I will now present how I am making sense of these themes in my experience of living through M&As.

6.6 Culture in M&As

Here, I reflect on what has been described as cultural issues in M&As in the context of my experience at Japanese, Danish and American design review meetings, and management meetings in general.

A recap of my career would provide the context for this exploration. From 1990 to 2000, I worked for Sumitomo Electric living between Yokohama and London. I then joined GN of Denmark who subsequently acquired Laser Precision of USA establishing GN-NetTex. In 2003 GN sold NetTex off to AXCEL who renamed us NetTex. Two years later AXCEL sold NetTex off to Britsu of Japan. Consequently during 2000-2005 I lived between Utica-New York, London and Copenhagen, regularly attended M&A meetings as well as general, product integration and design review meetings.

The Utica design review meetings were usually in the canteen around table-tennis tables pushed together and people attended in shorts and trainers. These paperless meetings were very different to the suit and tie Sumitomo meetings I had got used at Yokohama. At Sumitomo, meetings were held in sound proofed majestic rooms around luxurious mahogany tables. Tea was ceremoniously served in stately cups by bowing ladies in striking uniforms at preset times and durations. We also were given individually named agenda booklets. The programme outlined the topics, the times and speakers for each topic with fixed intervals for questions and answers. At the back of the booklet there was a lunch menu, which was also delivered to the meeting room by the elegantly dressed ladies.

At these meetings, the products or new features to be discussed had all been tabulated with more graphics and details in appendices. The whole process of presenting regional reports was all very orderly and formal. Once I quietly asked Mr. Houda [my line manager] who was next to me: why so much formality and etiquettes for meetings? He whispered

> This is our way, our culture. In Japanese firms, we all are a member of the company. Members in the company must each know and uphold their positions, like on a bed of nails. If you stick out, you will be tapped back in place.

In contrast, at NetTex-Utica and later on similarly at Copenhagen, the products and features to be discussed were more bullet points. In Copenhagen our meetings were held in the R&D lab where other people were working rather than behind closed doors.

Life outside the meetings

To better appreciate my impression of life at Sumitomo or GN, it is worth including a few words on how things appeared outside meetings. For example at Utica and Copenhagen, we wore our own clothes to the office. There were family photos on people's desks and on cubical walls giving the place a personal feel. The office walls at Yokohama or Osaka however, had no family or personal photos. Instead the walls were decorated with framed policy statements and slogans (many in English), photos of senior management performing opening ceremonies and corporate certificates such as ISO9000 slogans and TQM accreditations. Few Japanese colleagues braved it to ask about the meaning of phrases on the English posters. For example the meaning of 'wings of technology' or 'calibrating competence' had puzzled even those who spoke better English.

With most colleagues having a limited grasp of English, I wondered what the purposes of displaying these posters were. Were these mostly for visitors or the staff? They must have been put up with prior approval of senior management. I wondered if these items represented some declaration or demonstration of conformity of the Japanese with the international or mostly with the Western world. By placing such posters, were they responding to the human desire to be considered the same as others (Stacey and Griffin, 2008 : 12) or depicting the multinational nature of the markets the company was engaged in? I wondered how much my Japanese colleagues who did not even appreciate the literal meanings of these posters, related to them. I wondered if some might see these gestures as imposed upon them or if these amounted to formal conformism.

When I asked a few close colleagues what they thought of the posters, they seemed to see these positively as noble actions of senior management to emphasize the international dimension of the telecom business. Another aspect of working at Sumitomo and in line with the literature (Keeley, 2001; Scullion and Linehan, 2005; Bebenroth and Kanai, 2010) was that rank, seniority and salaries were linked to age and length of service with the company. Mr. Houda used to call those who changed jobs going from one company to another 'monkeys jumping trees'. Mr. Seike used to say that those who change companies were disloyal and would hardly get promoted to senior positions. The comments of Messrs Houda and Seike contrasted with the Western practice of using recruitment agencies to bring in high ranking managers for senior position on higher salaries than existing employees right from the beginning. A younger manager, Mr. Yamada, explained that in Japan, managers always would have a longer length of service than their subordinates. Another routine at Sumitomo was how everyone, including senior managers, upon arriving at work had to change into the company supplied uniforms consisting of matching trousers and jackets. Light blue for visitors and senior managers, dark blue for the rest. My US and Danish colleagues and management talked, shared jokes and even organized weekends together. This contrasted with my Japanese peers who appeared much more formal.

The working practices and routines at NetTex, Britsu and Sumitomo were different, yet they were in the same industry, produced similar products and competed on par with each other around the world. They held different style design review meetings yet were producing products with similar technologies. Also fascinating, were parallels in the evolution of products at these companies. Sumitomo, Britsu (Japan), Laser Precision (US), NetTex (Denmark), Photonetics (France) were all developing similar products with comparable quality and cost.

Cultural aspects in M&A literature

In a conversation with my father (July 2008), a sociology lecturer, his comment that "notions of culture predate civilization" made me question if my propensity to think of culture as something solid as an attribute of organizations, is because it's been around and written about for such a long time. Also Griffin (2002: 92), in the context of mainstream organizational literature, notes the frequent 'associations of organizational activities and culture as an *attribute* of organization'. Fonseca (2002) uses organizational culture and organizational habits interchangeably arguing that those interactions that participants consciously or unconsciously come to accept as 'good enough' to be repeated

> are patterned as legitimate themes organizing the experience of being together, reflecting what has emerged as the official ideology, which makes current figuration of power relations feel natural. Newcomers to 'the organization' find that they must use the legitimate ways of talking if they are to be included (p.77)

Fonseca's take resonates with my experience of the bed of nail metaphor that Messrs Houda and Yamada had used about being tapped into place if I stuck out and did not fit into the culture. I saw the NetTex product names being changed, the e-mail addresses being changed, the web site being shut down and the transfer of R&D and review meetings as attempts to make us fit the Japanese ways.

Some studies trace earlier references to culture in M&A studies (Gaughan, 2002) to the acquisitions following the Depression of 1883 in USA. More recent research suggests that cross-border acquisitions performed even worse than those within borders (Angwin and Savill, 1997, Moeller and Schlingemann, 2005). Moeller and Schlingemann (2005) studying 4,430 acquisitions concluded that based on stock returns and operating performance, the international acquisitions by US firms were significantly less successful than the US-domestic acquisitions. Similarly, in their study interviewing top European executives, Angwin and Savill (1997) concluded that 61 percent believed cross-border acquisitions were more problematic, and riskier than the domestic acquisitions. Others (Lubatkin, 1983; Buono et al, 1985; Jemison and Sitkin, 1986) advise more attention to the 'pre-acquisition cultural fit' between the involved companies and to 'the post-acquisition integration processes'.

For cross border acquisitions, Hofstede (1980) advocates more attention to *national* culture and work-related values. He (1980: 394) proposes four cultural dimensions to explain and help 'success' in international acquisitions. Hofstede used formations of Unilever through the British Lever Brothers and the Dutch Margarine Unie in 1930 and Shell through the merger of the Royal Dutch Petroleum and the British Shell Transport and Trading Company in 1907 as examples of reconciling national cultures in cross border acquisitions. He argued that The British and The Dutch cultures are comparatively similar with respect to attributes including individualism, power distance and uncertainty avoidance. On comparative cultural differences, he considers the Dutch culture as less masculinity-oriented than the British culture. Hofstede (ibid:934) classified these mergers as successful as they amounted to 'true marriages' (1980: 394). He then contrasts these *successful* mergers with the troublesome integration issues of the 1964 Belgian-German merger of Agfa-Gevaert arguing the much different national cultures of the involved companies among the causes. Drawing on Hofstede's study, Kogut and Singh (1988) proposed *cultural distance* as a metric influencing M&A outcomes.

Empirical research efforts in correlating national cultural differences and acquisition performance, however, remain inconsistent. Using a sample of 112 cross-border acquisitions between 1978 and 1990, Datta and Puia (1995) concluded that shareholder value creation is negatively correlated to cultural differences. Yet, in testing this proposition on a sample of 276 international acquisitions between 1975 and 1988, Markides and Ittner (1994) disagreed with the inverse relationship conclusion. Also applying a quantitative approach to a sample of 301 international acquisitions from 1975 through to 1983, Doukas and Travlos (1988) reported that multinational corporations created shareholder value through their cross border M&A initiatives. But this conclusion was challenged by Uhlenbruck's (2004) analysis of 170 international acquisitions between 1990 and 1993 relating cultural diversity and sales decline. Morosini et al. (1998), however, using a sample of 52 cross-border acquisitions between 1987 and 1992 found a positive relationship between cultural differences of the two involved companies and post-acquisition sales growth. Kanter and Corn (1994) interviewing 75 executives at eight US companies which had been acquired by foreign organizations between 1987 and 1990 concluded that cultural differences were not major considerations in M&As. In Britain though, Norburn and Schoenberg (1994) studied 70 organizations which had undertaken European acquisitions during 1988 and 1989 and reported culture as a major failure cause in 90 percent of the cases.

It is now appropriate to reflect on the above approaches to culture in M&As. I now see applying statistics to the analysis of culture in M&As as double reification. First each organization's culture is reified as a whole independent of the local interactions that give rise to what is being referred to as culture. The second reification is the descriptions and intended shape, nature and design of the right *culture* for the merged organizations. I see such attempts as exercises in extracting classifications for what are after all 'the accepted ways of talking and doing things that we call the organizations culture' (Stacey, 2010:161).Such classifications in my experience no longer make sense because our patterns of working together had evolved in processes of local interaction. Applying statistical analysis to culture amounts to grouping of organizations in cultural categories which also overlooks the temporality of the local processes of interaction between people in which these habitual patterns emerge. Reifications and using statistics might lower anxiety (Aram, 2002) or provide the comfort of familiar ways of thinking which links to ideology. It is in thinking that we create conceptual wholes, such as culture, and attribute them to organizations.

> People create often highly developed fantasies of what is going on, what is causing what, why people are doing what they are doing and then begin to act upon the fantasy. This is the necessary basis of human experience that we constantly create wholes that make sense of our experience. These wholes constitute our ideologies, the basis on which we act. (Macintosh et al.,2006: 284)

Culture as an ideological whole, including the norms and the habitual ways of relating to each other in our everyday organizational lives, is continuously challenged, explored or negotiated with each other in each situation. Whenever we were subjected to new circumstances in our M&As, the ways we used to work and relate to each other changed. People in complex mesh of social interdependencies may well adopt defensive responses to deal with the anxieties and uncertainties that M&As induce. My defensive responses included covert or overt resistance to changes in responsibilities, threats to the scope of my role and status.

Examples of these contestations manifested for example in how our software engineers refused to use new e-mail addresses, protested about changing product names or obstructed introducing new practices. Expressions such as ´it won't work´, ´why do we have to do it their way´ or ´we have always done it this way and it's always worked out better´ emerged in conversations. I relate these to anxieties and feelings of insecurity. When design meetings were moved to Denmark or Japan as part of post acquisition reorganizations, such responses were, for me, understandable and possibly inevitable, not only as a defence against anxiety, but also as attempts to sustain previous power relations. M&As altered patterns of inclusion and exclusion and with them power relations also changed. It is through these processes of gestures and responses that I express my experience of culture emerging, being sustained, challenged or reinforced through M&As as an imagined whole.

Statistical analysis applied to culture amounts to applying arithmetic techniques to abstractions and imagined wholes that do not exist as physical things do, outside of our interactions. Although organizational cultures in US or Japan as wholes did exist in my experience, and in that sense felt as real as anything else in my experience. Each of us as members of organizations, in conversations with each other and in silent ones with ourselves too, co-construct and modify these imaginative wholes which enable us to talk about them. Furthermore, my experience of culture through M&As never felt static as my interactions in each living present negated or reinforced aspects of my imagined wholes in spontaneous and unpredictable ways. M&As altered the familiarity of established patterns of working including new faces all presenting me with circumstances and opportunities to question my perceptions. I now reflect on each gesture and response, my own and others, for their meaning and the ethics of what they might mean to me or others. So in the next section I will present the implications of viewing of M&As and culture as complex responsive processes.

Implications of understanding M&As as complex responsive processes

The past decades of researching M&As has produced a rich and continuously evolving spectrum of scholarly perspectives. They include M&As as 'the new standard for creating shareholder value'(Rappaport, 1986). Others explore the 'speed of integration' as 'a success factor of mergers and acquisitions' (Homburg and Bucerius, 2006: 348) whilst Hamel (1991:83) sees them as a 'learning tool' in the context of 'competition for competence and inter-partner learning within international strategic alliances'. More recently, Laamanen & Keil (2008:663) discuss M&As in the context of a corporate 'programme' and explore the 'pacing and rhythm' of these activities. Shi & Prescott (2011:1044) examine 'the sequence patterns of M&As' by building on Kale & Singh (2009:45) assumption that 'corporate performance increasingly hinges on the effective management of acquisition programmes and alliance portfolios'.

Two themes among these diverse views are their organizational scale perspectives and the separation of people and businesses as distinct entities. Accordingly in M&As changes are outcomes explored in relation to pre and post merger businesses, separate from one another and people. The distinctions in an understanding of M&As as complex responsive processes however, include exploring change and continuity emerging through local interaction between people, without separating people and organizations. In this understanding M&As is thought of as social object, that is as generalized tendencies of people to act in similar ways in similar situations. In this context I am using the phrase 'social object' similar to how Mead (1934) used it in tension with the usual understanding of objects as things in nature. The particular theme of combining businesses that in this understanding I refer to as M&As is in some respect an object in that it is what people might sense when involved in and (as I am doing in relation to my experience) researching M&As. But this is only a perception of our own acting not an object in any physical sense. Stacey (2010:164) discussed in some length people's tendencies to reify patterns of acting which is also why it important here to stress what I mean. M&As as social object 'appears in the experience of all the individuals as a stimulus to a response' not only for the staff of the businesses to be combined but also by all the others involved. By others I mean the regulatory authorities, colleagues, customers, consultants, competitors, bankers, shareholders and the media. This is how each individual could know how others in their roles, might act/respond which induces some coherence (for each individual) in other people's behaviour in relation to this social object.

Furthermore, in this understanding the social object of M&As exists in our experience together with and in relation to other social objects. GN, NetTex, NetTex, Nortel, AXCEL, Britsu or Photonetics that I have referred to, can each also be understood as social objects. The University of Hertfordshire where I am a student is another social object. There are, therefore, a multitude of social objects and generalized tendencies that I and others might act into in similar ways in similar situations.

In relation to the social object of M&As being taken up in our conversations, the combined businesses were routinely idealized. The 2001 announcements by GN, in purchasing NetTex and Photonetics, stated that the acquisitions would make us 'best in class' offering 'highest specification' leading to the 'largest market share' in our industry. When Britsu acquired NetTex the announcements included 'combining our technologies would enable the joint company to offer the highest performance field instrumentations'. Such idealizations emerged in conversations at and away from our meeting, were written in acquisition documents, memos, formal announcements, annual reports and even on websites, taking the form of propositions and collectively composed narratives. These were mentioned and referred to in various ways across the organizations, in offices, shop floors and at trade exhibitions. For Stacey (2010:164) 'social objects also take the form of second order abstractions' to describe population-wide patterns which emerge and are being sustained in local interactions.

However, whether in written form or on websites, generalizations and idealizations acquired specific meaning in specific initiatives and specific situations in the experience of people in their 'local' interactions. So, for example, when our executives met to estimate forecasts for each distributor, and at times they would invite me along, to discuss this or that market or product for the combined company's product lines, we were clearly interacting locally. What we discussed were our generalizations and idealizations of merged businesses in terms of their better/bigger product lines, market shares or sales figures by this or that accounting periods. We also issued action-plans and memos to others including colleagues or distributors in other regions. These then played a part in discussions at various other meetings and conversations at or away from offices. Again, all discussions and conversations would all be local to those involved producing various responses, some more or less favourable than others.

If some regions reported difficulties in reaching their newly set sales targets or requested training on certain new products, colleagues and I might visit them, discuss matters, provide training, join them in customer visits or presentations and generally help them. Again all these communications are processes of gesture and response to generalizations and idealizations being taken up in local interactions giving rise to many interpretations and different meanings that might emerge. I would argue that our one-to-one phone calls and the conference calls are also processes of 'local' communication and interaction to those involved. So by local I mean an individual's own involvement in electronic or face-to-face conversations.

Our M&As therefore were processes of local interaction including meaning making, reorganizing people, operations and conversations in which our generalizations and idealizations were emerging and evolving. It was also through such local process that we aimed to realize higher sales or improvements. This understanding is different to how I used to think about M&As. For example, in reviewing forecasts submitted by distributors and divisions in each country or region, and in setting new sales targets and establishing monitoring processes I used to think of each business as a whole, an entity in its own right. I saw myself and others as creators of bigger businesses which I viewed as a new bigger whole. However, in the understanding that I am describing here, neither merged or un-merged, businesses are never a whole in any physical sense, but are rather many local patterns of interaction emerging as continuity and also potential change as our interactions get iterated in each living present.

What becomes important in understanding M&As as complex responsive processes of relating is how we were taking up, in our local interactions, the generalizations and idealizations articulated as gestures in conversations, minutes of the meetings, written notes, memos and announcements. The meanings of these articulations could not be located in memos and announcements, because meaning arises in the numerous local responses that our gestures would call forth from others. In any specific situation of any particular reorganization, people's responses may include disagreements even resentments of the proposals to merge certain product lines, operations or appointments of new people.

Often disagreements emerged. For example, following the acquisition of STC by Nortel in 1984, and similarly NetTex by Britsu, the annual design review meetings were moved to head offices in Canada and Japan. Those R&D colleagues who had supported and had looked forward to the acquisitions but were then not invited to go to the merged companies design review meetings, were disappointed and would not submit any ideas or reports to others who had been invited. Similarly when Joe, a pre-acquisition executive, had not been assigned any staff or a senior role in the post-acquisition organization, he would not cooperate or report to his new bosses.

The bringing of ‘synergistic businesses with complimentarity of technologies and markets’ described in memos, were being interpreted in the specific local situations of holding design review meetings and departmental reorganization. The generalization i.e. M&As leading to growth and improvements being taken up by the senior executives and directors was thus acquiring different meaning to different people. For Joe, the acquisition had become a threat to his previously held senior ranking. In his unexpected disappointment he then instructed me and others not to report to what he called ‘them lot’ (meaning the acquiring management) whereas he had originally dubbed them ‘angel investors’. These responses I saw as his way of protesting and resisting.

The unexpected also emerged for the acquiring executives too as they reflected upon what was happening and wondering how to sort matters out. For example, following Joe’s behaviour directly asking me for project updates and reports. The combined companies always emerged less ideal than envisaged. So despite first, ceremonially awarding Joe a certificate of ‘High Achiever’ (or for many engineers, Design Excellence awards), Joe was made redundant less than a year after the acquisition. In the same and the following year others including the R&D engineers who had received awards, left, disrupting reorganizations and product integrations. So the meaning of M&As never lay in the generalization (combining two synergistic businesses together) but in particular initiatives of local interaction between people.

An understanding of M&As as a particular theme of combining businesses, therefore would require reflexively exploring our complex responsive processes of local interactions as people particularize the general and the ideal. If our corporate executives had been able to combine businesses and in doing so, as a matter of fact, better bigger businesses had emerged then I would not have issues with the literature assertions that 'M&As are a vital business tool and a successful growth and expansion strategy for companies (Frankel, 2005:4) or 'fundamentally M&As increase revenues and market share, improve profitability and enhance enterprise values (Weston and Weaver, 2004:11).

But different people and different groupings of people make different interpretations of each situation, of each initiative and make choices according to their continuously evolving ideologies. My R&D colleagues at Nortel had pushed for the design review meetings to stay at Harlow or if these meetings had to be in Canada, then they wanted to be included. Similarly when Adam, following the acquisition of I-net became my new boss in the post-merger organization, we did not get on. My R&D colleagues not submitting ideas, Joe not reporting and my behaviour towards Adam are examples of my realities that contrast the idealized images of merging organizations despite our wonderful assets.

How these conflicts arose and the choices that people made emerged through local interactions which also relates to the matter of power. The particular choice made by the acquiring management, reflected certain figurations of power e.g. Joe being made redundant. In his case, the choices of Britsu management prevailed because in the post-merger organization the power was tilted in their favour. When I was made redundant following my disagreements with Adam and then re-hired by Lars, the power was firstly in favour of Adam and then Lars. The formal narratives however, described matters differently e.g. for Adam, I did not fit in the new strategy but Lars described rehiring me as: 'in line with the post-acquisition business strategy', presumably to be seen as complaint with the strategy and therefore avoiding opposition to his wish.

In understanding M&As as complex responsive process, I then see much of the formal announcements and memos as what Scott (1992) called 'hidden transcripts and the arts of resistance'. These incidents were the manner in which Lars and I thought it possible to give at least the appearance of legitimacy and compliance in our conduct so that we can both remain as part of the post-merger organization.

My previous focus on mainstream views did not include these local realities. The organizational scale explorations overlooks the ordinary, everyday contingencies which Joe, Adam, Lars and I were experiencing and the emergent ways we were responding to what was happening in our local interactions with each other and with others. According to my proposed 'complexity' understanding, joining businesses, combining operations, the acquisition of new technologies or manufacturing techniques all could mean different things to different people and they only play a part in the fundamentally emergent local nature of people's responses. Complexity in this context means that details can never be known. Rather than assuming that meanings for our actions (e.g. merging operations) and focusing mostly on organizational scale assessments and mathematical analysis, I now think of these goals and objectives as gestures to others including all those already working with their existing arrangements across the organizations. In such contexts, the analytical and organizational scale explorations and 'seeing like a state' (Scott, 1999) can be thought of as corporate gestures calling for change.

I am using the word change rather than growth or improvement because there will never be one outcome, one perspective or identical interpretations and responses. An implication is that the corporate initiatives including setting profitability, sales or market share targets could still continue but in the context of proposals / invitations as gestures to invite discussions and hopefully emergence of new conversations. I also claim that such an understanding is closer to the organizational reality than mostly focusing on organizational scale assessments. I am claiming that in taking such a perspective we can gain a more inclusive understanding of M&As, and what emerges as outcomes. I argue that thinking of businesses as wholes, separate from the individuals could close off the possibilities that thinking about M&As as social object offers.

As social object, M&As will necessarily include the temporally established habitus including idealizations, interpretations, expectations not only of the members of the merged businesses but also customers, consultants, investors, competitors and the relevant regulatory authorities. The executive gestures and visions of merging businesses expressed in terms of M&As announcements, meetings, preparing transactions to trade assets followed by reorganizations are all gestures and responses whose meaning arise in the local interaction of all the and related people.

Viewing M&As as social object also allows a new perspective on power relations, inclusions and exclusions e.g. redundancy programmes or appointments of new heads for the combined departments and how these have the potential to emerge in unexpected ways. The implication of such an understanding of M&As for all of us including the corporate executives proposing them and the academic researchers, I argue, is significant. If I think M&As, when carried out by a skilled and trusted management team and staff of goodwill, would bring about growth and improvements, it would then make sense for me to focus my attention mostly on choosing the right team. We can then put our heads together and look for the right businesses to acquire or merge. On the other hand, if I think of M&As as social object I would acknowledge the complex nature of people relating to each other. It would still make sense to collectively explore different 'as-if' scenarios and to think of them as our gestures, mindful of the complex local processes as others and ourselves respond to such gestures. By complexity I mean how details can never be known including the potential for support, rejection or apathy to each proposal or reorganization as people including ourselves interpret and give meaning to each particular initiative in each living presence of our local interactions. In taking this perspective, I would be aware that M&As also affect patterns of power relations with potential consequences on people's sense of identity. This is because any change in groupings and how we used to work together often affected, even threatened my sense of identity, inducing anxieties and defensive or obstructive behaviour that my narratives have depicted.

- **A potential misunderstanding**

It would be a misunderstanding to think that I am advocating a more conciliatory or consultative approach to M&As, although these too might emerge and are aspects of our local interactions. I am arguing for a more inclusive way of thinking and reflecting for exploring our experience of change and continuity through M&As. I argue that our discussions, experience as well as the M&As literature all emerge and evolve through local interaction.

And it would be impossible for anyone to 'step outside of' their local interaction with others (Stacey, 2012:130). Corporate executives, like everyone else, interact with a limited number of others in their local interactions and cannot control others' responses emerging in their local interactions from where what is described as outcomes of M&As would emerge. These include changes in the patterns of power relations that emerge and cannot be planned or fine-tuned through professional or mathematical analysis. The patterns of local interactions and conversations about combining businesses as a theme, give rise to the social object of M&As where people are particularizing in their local interaction various aspects of merging specific organizations.

Finally if one thinks of merging businesses in terms of widespread narrative patterns arsing from local interaction, then it would be impossible for anyone or group to predict the outcome of the social interactions that would ensue when people of two different organizations are grouped together. It would also be impossible, as is frequently espoused in the context of M&As, to manage, prepare for, change or match cultures when merging businesses, but many of the today's books continue to include long how-to lists for M&As.

Closing remarks

This chapter presented a completely different approach to understanding M&As than those of the current mainstream discourse. I have contested the claims that M&As are, or deterministically lead to growth and improvement. I have explained why as inter-organizational activities, merging businesses are not amenable to mathematical and statistical analysis and, consequently, why change and continuity through M&As are unpredictable. I have presented a critical exploration of just what our M&As involved, arguing that while M&As may lead to certain outcomes, predicting these amounts to predicting outcomes of social activities through which sales, market position and other attributes of combined businesses emerged.

Reflecting on how in a taken for granted way, our executives described and engaged in M&As viewing them as options for change and predominantly in terms of growing and improvement of businesses, highlighted two aspects of the mainstream views. Firstly there was the separation of businesses and people. Secondly, drawing on Griffin (2002: 21) such views, amounted to putting 'thought before action' which also induced expectations about the outcomes which rarely emerged as announced or envisaged. We always paid for and referred

to professionally prepared merger analysis. These as well as the mathematically rich literature explorations included strategic, financial and human resource issues at organizational scales. These approaches, I argue, give too much credence to the coherence and static view of M&As as if we were dealing with rational data about businesses as if they were wholes.
The focus of my research however, is exploring change and continuity through my own experience of M&As both as an individual and a member of the involved organizations at the same time i.e. local scale and not separate from these organizations. In my experience, our M&As were social activities and businesses were not wholes to be combined even when we discussed them as if they were.

I have presented an understanding of M&As as complex responsive processes and explored my experience by reflecting on our local interactions in which joining businesses emerged as a theme of our meetings and organizational activities. I also experienced related themes including idealizations and at times culture.

My conclusion of this chapter is not whether M&As or culture were being instrumentalized as management tools in this or that study or which resonated better in my experience. Rather that M&As were not just about the choosing of the businesses to combine or if the outcomes were or were not in line with plans, expectations or announcements, but to highlight the multitude of issues that emerge as themes of local interaction and could enhance our understanding of change and continuity through M&As.

Consistently, the major themes in my experience of M&As were idealizations, power issues, identity and a sense of loss. Excluding these themes, separating people and organizations, viewing businesses as wholes or applying statistical analysis to what are clearly social activity limits our understanding of change and continuity through M&As.

Chapter 7 Conclusions and Contributions

Introduction

My original intention in undertaking this research was that, if I was to lead M&As, then through academic research, I would discover how to get them ‘right’. Not only has this view been laid to rest now, I also do not feel ‘done to’ the way I used to and my sense of M&As ‘as something out there’ and people as ‘victims’ are also gone. I associate these changes to being able to relate to what is created, what is destroyed, and seeing the creative/destructive potential coexisting at the same time, are among the contributions resulting from undertaking this research. However, one measure of contribution to human understanding for any thesis is the capacity for generalization to others’ context and experience.

So in the first section of this chapter I discuss generalisability and validity to express more clearly what is qualitatively generalisable about this research. This is followed by drawing together the conclusions and contributions of each chapter leading to the final section of this chapter explicitly setting out the contributions that thesis makes to knowledge.

7.1 Generalisability and validity

Generalisability refers to what may be applicable to wider contexts than my own experience while validity refers to how I justify this as some kind of claim to truth. As far as validity or legitimacy is concerned, as described in the methodology section, there is no *absolute objective* validity to my assertions. In this research however, I am reflecting on thirty years of organizational life and exploring the themes of my experience of living through nineteen actual M&As. However, the number and span of involvement in actual M&As is large enough to offer a *valid sample* for many qualitative research projects. Furthermore, although there is no absolute validity in reflecting on personal experience, they are not any arbitrary account in that they must make sense to others, resonate with the experience of others and be persuasive to them (Stacey, 2010:224). This is how I see the emergence of generalisability when, for example, others relating to my experience might pay attention to aspects of their own experience and their own situations. This is because the underlying issues including emotions and anxieties that I have referred to are neither unique nor industry specific and I can expect that participants in all M&A processes will recognise something in my experience. However, in this section I will express more clearly what is qualitatively generalisable about my research.

For example, I have argued that by changing focus of attention on our lived experience of the processes of local interactions between the people involved we can enhance our understanding of the nature of change and continuity through M&As. Such a focus can draw attention to the effects of power relations and our ideologies through these processes. It also directs attention to the dynamics of inclusion and exclusion in appointment of news departmental heads, management teams and post-integration reorganizations in general that enable us to notice the impact of new groupings in how merged businesses are evolving. Focusing attention on local interaction also draws attention to habitual correlations of M&As to growth and improvement. It also highlights pre-merger idealizations of integrated businesses before they exist. Such habitual idealizations and correlations also influence our expectations and interpretations of outcomes including how we make sense of experience of redundancy, sense of loss and identity, feelings that are also outcomes.

Each initiative must be particularized in its specific situation that will never be exactly the same as another, and this adds new uncertainties and unpredictability in the way the emergent outcomes are experienced and articulated. M&As, therefore, hardly ever follow their rigorously prepared presentations and predictions.

Over the past decades many obligatory national, international, legal and regulatory bodies and procedures have emerged. There are also the new due diligence routines to adhere to along with the professional intermediary firms and institutions offering advice on implementation and financing. These can be understood in terms of general efforts to increase executive capacity to predict, reduce anxiety and risk. All of these abstract generalizations need to be interpreted in each particular case. Such particularizations reinforce the dominant discourse about M&As including expectation of growth and improvement. At the same time these expectations and mainstream notions of businesses as entities whose integrations can be managed, influence these particularizations. All these particularizing activities also become sources of blame for undesirable and unexpected outcomes.

Focusing on local interaction however, draws attention to our interdependence on one another and the importance of the ‘interplay’ (Stacey, 2010) of individual and collective hopes, aspirations, rivalry or collusion that also influence how mergers evolve and are experienced. Reorganizations might change or end pre-merger patterns of working together. They also influence the emergence and evolution of our ideologies reflected in the choices that people make including staying, cooperating, arguing, leaving or getting dismissed. All of these emerge in interplays that no one can predict or control.

This thesis also highlights change in the idea of M&As not only for the individuals involved in these activities but also in the literature over the years. For example, the range of literature descriptions of M&As include monopolization efforts when referring to the early19th century initiatives (Stigler, 1950), the economies of scale for the 1910s whilst the 1950s and 1960s are referred to as globalization ventures (Wasserstein, 2001). The 1980s depictions include the convergence of technologies while others describe them ‘drivers of profitability’ and ‘transfer of control’ and part of ‘a cyclical wave pattern’ created by ‘non-rational frequently self-interested managerial decision making’ (Martynova and Renneboog, 2005).

Finally, since my experience of M&As is not unique, others too would have similar experiences arising in situations of upheaval and may question, as I have the 'if ... then' assumptions in M&As. Most literature explorations as well as actual initiatives fundamentally relate to the-taken-for-granted ‘if ... then’ assumption. However, in over thirty years of living through M&As, it never became the case that if we merge with A or acquire B then, then as planned objectives, X,Y ... Z followed. My difficulties with the notion of people and the businesses to be merged, as separate entities may also resonate for others in their experience of change and continuity through M&As.

7.2 Making sense of Pre and Post merger times

I have presented an account of my experience of M&As, specifically how change and continuity emerged and affected me and my relationships. In this context, I reflected (chapter six) on an important theme of my experience namely being grouped together with new faces, and what to me appeared as management expectations through M&As that people not only would work together but also that following various reorganizations, business activities would continue and improve. Based on all the arguments presented in my previous chapters, and because it is important for the preceding discussions, I will first reflect on this crucial aspect of my experience, namely that of people working together both at pre and post merger times. It was in this context that I described how colleagues and I had been working, sometime in unusual ways, including laying a fiber optic cable on the motorway hard-shoulder in the middle of the night for testing or how I was sent back to the hotel by Lars (my boss), to change from suit-and-tie into smart-casual dress just minutes before a design review meetings at the newly acquired NetTex. Also included were Joe’s (another boss) non-cooperative ways towards the acquiring management and in a similar context my one-worded protesting e-mails to my new post-acquisition boss and how these played a part in various outcomes.

In chapter two, I described how I found Adam's behaviour (a new boss) unacceptable toward development colleagues and reduced my cooperation through reorganizational changes leading to our arguments. These changes included department sizes in terms of colleagues joining or existing ones getting transferred, leaving or being made redundant. These changes affected how colleagues and I interacted and played a role in how patterns of our professional relationships that had previously evolved continued, were transformed or ended. I have also reflected on how design review meetings were held, continued or discontinued through pre and post reorganizations including the responses of colleagues who were excluded from these meetings. All these were outcomes and contributed in various ways to my experience of change and continuity through M&As. In chapter six, I described how, following the announcement that NetTex's website was being discontinued the website of the acquiring company was hacked into and their logo inverted, and the divestiture of the RFTS division soon after. Similarly in chapter two I reflect on my personal struggles to compile a report for Lars, as part of a pre-acquisition valuation exercise. These struggles related both to the limited information and cooperation from my product development colleagues who had been made redundant and my own values. I describe how under the reduced cooperation from my R&D colleagues, where necessary, I put a finger in the air to make up the figures for my report.

The common strand running through all these narratives is therefore how M&As always changed and presented new, often unexpected challenges of working together with new and previous colleagues/seniors that did not lead to growth/improvements neither for the organizations I was part of or me personally. Time and time again post-acquisition reorganizations involved having to work with or report to people I had not known or worked with before and hence understood less or even disliked, which was much harder. Dealing with people I didn't like or got on with was less of a problem away from a work environment, because I tended to shy away from them. However in my professional life, especially under non-M&A circumstances of working with people and over periods of time, the familiarity and understanding that I had felt in these relationships was always altered through M&As.

The change therefore was a mix of some easier and some more complex aspects of working with others. What was relatively easier to understand and follow were the official announcements about roles, positions, responsibilities and how, following the reorganizations, I was grouped with others or had new line managers.

The more complex aspects related to not knowing new colleagues and also the cooperation or support I might expect in working with them and my bosses. Other than the early years of my career in assembly line environments, I have always worked in sales, marketing, design or finance. In these positions unlike the manufacturing or production line environments, it was easier to get along with people if, through working together for some time, we had somewhat got to know each other. Supporting and working collaboratively had always been essential especially as in such roles as we were not told at every each step, what to do. However, M&As changed the sense of familiarity that I felt had emerged between us.

Sennett (2012:5) explores what he calls 'the more subtle' aspects of working together in modern organizations including cooperation and what he calls its 'dark angel, collusion'. Nowadays, relatively speaking, people in modern working environments have more freedom in their jobs compared to a few decades ago and no longer have somebody telling them at each and every step what to do. In this context I found Sennett's work thought provoking in relation to the changing nature of working relationships emerging in pre and post-merger times. However, whilst his explorations of cooperation resonated with my thinking, it also raises some concerns. He, in a similar way to much of the earlier M&As literature (Blake and Mouton, 1985; Andrade and Stafford, 2001), continues to refers to 'cooperation as a craft', and a 'foundational skill' to be learnt and applied. These authors argue for improving cooperation and how to strengthen 'it' as an important factor and in Blake's (1985) works as a means to enhance integration success on the 'human side of the merger'. They mention post-merger reorganizational difficulties particularly as people go through getting to know each other. I agree that cooperation is 'a primary human experience' (Sennett, 2012:5) as what we start off with as babies and is rooted in our nature. Indeed we would be lucky to survive without the cooperative endeavours of our parents and family. However, following on from these early years, I don't generally share the almost unvarnished espoused positive evaluation of cooperation neither as 'a craft' nor a 'foundational skill' to be learnt and applied. In my experience of M&As, working together cooperatively was provisional, occurred in limited contexts and, from time-to-time tended to exclude others from that cooperation. Furthermore, there were numerous other themes of working together that emerged apart from cooperation or collusion. Our M&As presented me with many other aspects of local interaction including power issues, a sense of loss, exclusion or shame about redundancy as well as changes in a variety of other relationships. Furthermore as my narratives indicate, in both pre and post-acquisition times cooperation was often difficult to generate among heterogeneous colleagues even when I intended it. It was difficult to get going, with my full intention and goodwill, among and within groups where conflicts emerged even when I least expected them.

I have argued that we can improve our understanding of change through M&As by paying attention to our more immediate scale interactions with each other. Specifically when new people are brought together as reorganized departments not just cooperation but many other themes of interaction emerge. In such circumstances when, for example, Adam or Joe said this, and I said that, I had to understand what I thought they meant, before responding. This was because I was at the same time preoccupied with numerous others issues like inclusion/exclusion, shame and my own continuously changing sense of identity through it all. In the narrative of my conversations with Adam for example, I stated that in my opinion how he intended to interpret the contract did not feel right with me. At this time I was learning about Adam in a subjunctive mood, allowing more scope for different interpretations of his words and was more tentative and unsure than I would have been had I been working with familiar faces.

Thus allowing for a wider scope for different meanings/understandings made matters more complex and stressful for me than working with the bosses I had known for a number of years. It is only over time that people working with each other may develop some intuitive understanding of each others' way of thinking. Cooperation therefore may emerge but as a temporary theme in specific circumstances of local interactions rather than me intending it. My experience of working with others and not just with my bosses or other executives, as depicted in all my narratives, is not one in which the themes of our interactions including cooperative or other modes of behaviour could ever be managed. Of course, in relation to M&As, formally we were supposed to, as a new team or department, discuss situations or issues and we each presented arguments or interests and then we might collaboratively reach some decisions. At least this was what ought to happen officially as the 'public transcript' (Scott, 1999) which would amount to a seminal view. It is seminal in that people supposedly come along, they have their particular interests, reasons for things, they put them forth and following discussions then cooperatively take a decision or actions. However, it was almost never like that in my experience although I think Sennett points to rituals of conversation, which I do agree with, that could emerge between people when they are repeated over time which he calls a dialogical way (Sennett, 2012).

In the context of my experience of M&As however, what I have explored is how when people of previously separate businesses were grouped together, new situations arose where there was a reduced level of familiarity between them which led to different kinds of issues emerging. I have described how, following the STC acquisition of ITT, and the re-arrangements of our desks, departments, operations and people, even though in my new employment contract, my salary and role were formally confirmed as unchanged, I considered the new faces and working arrangements made it impossible to feel as though I could do my job as before. I am suggesting that prior to the acquisition colleagues and I always had a different understanding of working with each other. It is not that there were never any issues or misunderstandings but in working with each other over a period of time, at least I had some experience with certain colleagues as being subtly more collaborative or uncooperative than others. Thus that familiarity, the knowledge I felt I had, was comforting and helped us get along. Other examples include the narratives on how Deleme had, to my surprise, agreed to my bizarre idea of testing of the cable along the motorway hard-shoulder or Lars immediately rehiring me after Adam had declared me redundant or the valuation report I created.

These were examples of the local aspects that helped, hindered or generally influenced our working relationships in both spoken and unspoken ways and how we did or did not get in each other's way, or would cover for each other. Such issues do not appear in organizational scale explorations, but influence local interactions and hence what would be experienced and reflected upon as our experience of M&As. Thus to me one of the interesting things about these aspects of local interaction is all the things that go on and exist in the ways we work together without being continuously or constantly aware of them, yet they play a part in our responses to each other. M&As however, discontinue, disturb and even break down many of the temporally established aspects of my working relationships inducing different, often unexpected, patterns of rivalry, resentment, hurt, shame, a sense of loss in ending of relationships as well as teamwork and support.
Organizational scale explorations (Shi et al, 2011) cannot capture, measure or predict how agreeably or otherwise people of the combined companies might work together. A question, in this context, might be how have the widespread organizational-scale approaches emerged as a focus of the mainstream discourse and the rise of professional M&As advisors; I will turn to this next.

7.2 Organizational-scale approaches to M&A and professionals

Throughout this thesis and my narratives, I have mentioned that M&A advisors and consultants attended our meetings and contributed to our discussions, valuation analysis, forecasts and estimations. Furthermore studies over the last few years indicate that M&A transactions continue to increase with annual M&A deals in 2010 reaching $2.7tn (Lucas, 2012). The use of professionals, mediators and M&A advisory firms is now widespread in many companies (Russo and Perrini, 2006; Bao and Edmans, 2007).'As the number of M&A transactions increase, M&A advisory firms such as those in the global investment banking industry benefit from this upward trend'(Hoang and Lapumnuaypon, 2007:1). It is now widely accepted that M&A advisory firms, promoters, valuation services at investment banks not only formally exist, but they play an increasingly important role in popularizing M&As (Hunter and Walker, 1990, Sudarsanam, 1995, Servaes and Zenner,1996). The rise of M&A advisory firms parallels that of the actual number of M&As and these advisory firms are now 'considered a key driver to the success of M&As through their professional services' (Hoang and Lapumnuaypon, 2007:6).

Over thirty years of sitting at meetings where M&As were discussed, I listened to many *how to* accounts of merging businesses told by our advisors. Often, as I did, my design, manufacturing or HR colleagues seemed to speak mostly when our particular contributions were requested as inputs to various assessments and due diligence reports, forms and analysis. These meetings, procedures and form filling were also part of local interactions in merging businesses and played a part in how, without much questioning and in a taken-for-granted way, M&As were correlated to growth and improvement initiatives. The way we collectively compiled and completed these forms and reports felt like rituals and I also felt privileged to be part of. They also reinforced my perception that there were right and wrong ways of undertaking M&As and what our executives were doing by hiring these professionals (Bao and Edmans, 2007) and involving certain colleagues (and me) was to make sure that our M&As 'could be got right' (Griffin, 2002:84).

Nonetheless and not just at our meetings, but also in the media and even the more recent literature, I read that researchers taking a predominantly organizational-scale view explore the pacing and rhythm of acquisitions (Laamanen & Keil, 2008) the sequence patterns of M&As and alliances (Shi & Prescott, 2011), that corporate performance increasingly hinges on the effective management of acquisition programs (Kale & Singh, 2009) and 'what matters in business and finance is the outcome, not the process' (Kay, 2010:12) . I now relate this to a habitual exclusion of local interactions as superfluous issues. I also see such articulations as a reification of 'results' as a chosen set of 'measurable' and 'deliverable' outcomes including 'the bottom-line' normally understood as turnover or ROI (Frankel, 2005). Which is also probably why when these 'outcomes' as they frequently did, emerged differently to those envisaged by executives and advisors, they were described as deviations. Kay (2010) called them 'critical imperfections' and that we would be able to 'anticipate the result, or understand the outcome, only by appreciating these imperfections'. To me Kay is reifying imperfections as matters for executives (as outsiders/observers) to become more aware of. In the context of experts as outside counsellors, and in attending many M&A meetings, I understood that the role of

> expert advisory in M&A activities [was] to facilitate the undertaking and maximize the value of the transactions .. to the extent of determining the outcome of such projects.. and identifying critical success factors (Hoang and Lapumnuaypon, 2007: 1)

Elias (1970:77) stopped using the word 'functional' because of the 'value judgement' it has taken on from systems thinking. Similarly, for me words such as imperfection, success, critical or deviation reflect value judgements. For Elias, the concepts of 'function' and 'functional' in the context of the development of societies contain 'inappropriate value judgements' (1984:70). I similarly argue that use of words such as success, imperfection or deviation reflects evaluations by narrators or authors who tend to, probably unintentionally, use these terms for those outcomes which are 'good' (in line with expectations). They also contribute to thinking about the merged business as a whole that was being 'formed' to become a new whole. Those outcomes that were not, or appear not to have turned out as expected, are therefore justified to be branded as failures or imperfections. Indeed, early in my career and at the start of this research programme, and through following the (organizational scale) mainstream literature as well as listening to senior executives and professional advisors, I tended to infer design to forming merged businesses and overlooked adaptations and idealizations. I too was attributing 'success' in M&As to the choosing of the 'right' businesses to merge and skilful implementations.

As I approach the end of my research programme and through exploring local interaction (see next section), I am thinking that all change including envisaged benefits through M&As emerge through local interactions and these cannot be designed. The complexity view of M&As presented in the previous chapter argues against such thinking although such thinking reinforces the mainstream discourse on M&As. Growing and improving businesses through M&As in such a discourse is predominantly represented as the expression, will and vision of executives and the skilfulness of the selected advisors (Bao and Edmans, 2007). However, that according to the arguments presented in this thesis was never the case. Instead I have argued for a social object understanding of M&As and how each of us takes up and participates in conversations with the particular context of combing specific businesses. I have also highlighted how idealizations were always a significant aspect of our M&A discussions and conversations.

I have argued that in my experience, business was never 'as usual' (Hagberg, 2003) but what was happening were patterns of local interactions being broken and similar or different patterns emerging and continuing through restructuring and merging of departments and operations. What I have experienced and reflected upon as the outcomes of merging businesses is related to which of these patterns were continuing and which were changing in the reorganizational turmoil, restructuring and the responses of different people as they benefited, lost their jobs or talked about M&As. I have presented my methodology for this research as how I currently am thinking and previously thought about my thinking, participation and interaction with colleagues and people in my social circles at, and away from formal meetings. I have described that by local interaction I mean how each of us has to take action into our own experience which contrasts with my previous perception of colleagues and I, either as victims or overseers of M&As. I have described how, at times, I was overcome by loss of professional relationships and blamed bosses and M&As as if M&As existed as something out there that I had not fully understood. In this context I referred to Sennett's (2000:118) chapter on failure in how he described IBM engineers losing their jobs as if they were going through a grieving process and the impact of that experience seemed relevant to my experience of loss. The IBM staff similarly went through the processes of blaming others then blaming themselves and then not being sure who to blame then gradually got to a stage of blaming many people including their bosses. Sennett described how they gradually began to realize that there was not much point in blaming their bosses who (much like my bosses) were themselves getting caught up in the redundancies.

In exploring the interdependency of people working together in organizations I drew on Orr (1990: 173) writing about the integrity of those working in teams and the networks of people working together as an example of the integrated network of people I was working with as independent and interdependent at the same time. I have reflected on my sense of grief in business settings over the loss of these relationships through M&As and how the impact of people's responses in pre and post-merger organizational outcomes felt intrinsically related to identity issues.

In chapter two, reflecting on preparing reports for senior management, I included my struggles to makes sense of power issues and my own behaviour in creating reports in the context of inflating valuation reports for an acquisition. I described how I had joined in what I considered was part of our game-plan with enthusiasm and reflected on my thinking that I was participating because I assumed that others might also be behaving like me e.g. creating reports to inflate their company valuation or other aspects. I reflected on my conversation with my boss (Lars) and wondered, if he was instructing me to 'dress up' our company's product lines for the acquisition, whether this sort of thing might also be going on among other senior executives in other companies? I related this to ethical issues in M&As and reflected on how the complexities of our local interaction influenced the ethics of organizational activities of combining of businesses and operations. I have argued that such local scale processes of interaction that influenced our M&As disappear in the organizational scale studies typical in the mainstream M&As literature. Focusing attention on processes of local interaction enhances our understanding and what we experience as change and continuity though M&As. In my narrative on the Britsu acquisition of NetTex, I described how executives including Mark and his team, formally charged with integrating departments and operations of the combined company disappeared one after another and how their departure was mentioned in low key messages by the new bosses and gradually airbrushed out of the company history.

I reflected why, under such circumstances, I didn't protest more overtly about what I considered unethical behaviour and how the ethics of our conducts always seemed contingent on the circumstances we were caught up in including making things up in product integration or valuation analysis. This thesis has therefore portrayed my developing understanding of what I experienced, the emergence and sometimes leaps in my understanding and insight when all the feverish M&A activities were going on. I have described how often I could not avoid getting drawn in and reflected on my evolving awareness when exploring local interactions in a mix of engagement and detachment as a constant battle to make sense of what I thought was happening. These included how, despite feeling guilty about exaggerating product valuation reports for that acquisition I still produced them. I explained that the reasons were partly to do with holding on to my job in a redundancy atmosphere and also partly to do with how I felt I was perceived in my role as a product expert which also related to my evolving, emerging identity through M&As. I reflected on my relationship with Lars as my boss which resulted in the submission of those reports, the context of which I felt to be unethical behaviour. I also felt that Lars and I were assuming this unethical behaviour to be part of a game that we on one side of this acquisition thought the other side were doing the same and so that made it alright. I also wrote that the submission and how I complied with the request arose from my trust/respect for Lars which overrode the concerns that I had had over exaggerating the valuation report.

I also explored the power relating aspects of this submission and reflected on what Lars was doing in referring to web site valuations, was to acknowledge he was doing wrong but, since he was the boss, he was sharing with me the context of this request to justify it to me and not have me blaming him. I related these reflections to what I understand by how complex the interrelatedness of human responsive issues felt.

I referred to the literature on categorizing different sorts of power e.g. through persuasion (Levine, 2003), education etc. but in complex responsive processes terms, these are all aspects of power relating. My relationship with my boss in this context was one of his power over me but equally his dependence on me. I had some power and how it seemed that he was acknowledging it through what appeared as his justifications in that I had power to expose his request for a questionable valuation report. In this context I reflected on this as power relating which was more than just power of persuasion. I also concluded that it is through such dynamics of relating to each other in our local interactions that I now understand power not as a thing nor a possession in how the power chances are at times, tilted in favour of one or the other. In a situation of authority with my boss the power chances were, in that relationship tilted in his favour. The dynamics of this shifting and tilting is what make such issues not level playing fields since power always arose through our simultaneous dependence and interdependence on one another. This play also relates to the title I selected for that section i.e. referring to aspects of preparing that valuation report as power 'games' in M&As and exploring power relating as processes of persuasion, of authority, of fear, of always interdependence where in our interdependence there is also always fear of what others might do to us.

In other narratives, I frequently referred to the confident style I felt our executives were adopting in undertaking M&As and how they appeared convinced that we'd meet the growth and improvement expectations. Yet in reality things rarely emerged as described in the announcements of these M&As. I explored how I thought that even if I was in their position I could not admit to not-knowing, not being capable of controlling it all and showing indecisiveness. Exploring and including these aspects of behaviour in local interactions are some of the freedoms that a complexity view of M&As as presented in the previous chapter has enabled me to openly explore and discuss. I also believe that my reflections, thoughts and feelings are not unique and these aspects of local interaction of people through M&As, in varying degrees also applies to others exploring their own experience of change and continuity through M&As.

So I will next present how I position and compare the way I am making sense of my experience with those in the wider traditions of thoughts that have been evolving about M&As.

7.3 Positioning my arguments

I have described how at our meetings people routinely associated change and continuity through M&As predominantly with growth and improvement. I also sense this association is echoing in the mainstream literature and the current dominant discourse about M&As. Furthermore, from the beginning of my career in 1982 to date, I have sensed a particular management orthodoxy developing. The orthodoxy is that executives have formal authority (Pike and Neale, 1998; Cosh and Guest, 2001; Wasserstein, 2001; Schneper and Guillén, 2004) and are also expected to propose, time and undertake M&As. This is reflected in agency theory (Jensen and Meckling, 1976) that suggests the overriding aim of executives is to maximize shareholder value and that M&As accelerate growth which typically get reflected in the rising share prices of the organizations involved. This view is also supported by the theory of efficient markets (Jensen and Smith, 1984) and capital asset pricing models (Jensen and Meckling, 1976). Motivation theory (Jensen and Meckling, 1976: 6) argues that to encourage executives 'to act in the best interests of the' shareholders they must gain and/or lose with the shareholders. This is discussed in (Merchant, 1995) top executive bonus schemes and 'rewards' including share options linked to share price growth. These theories enforced my perception of M&As as if they are growth and improvement 'vehicles' (Bruner, 2009). These theories (see chapter one) are brought together in the theory of Economic Value Added (Rappaport, 1986) with M&As being one such option for more rapid growth. But these, as my narratives have depicted, were not merely literature theories but they were also discussed at our meetings and conversations at and away from the office. They are also propagated by the media reports and management consultancies. M&As presented as growth and improvement options, also featured at our annual shareholder meetings, corporate speeches, official announcements and presentations.

However, the currency of my experience also includes anxiety, confusion, disruption to work and relationships. A sense of loss, power and identity issues are other significant aspects of my experience of M&As. Based on my narratives of living through nineteen mergers and acquisitions, far from being taken for granted growth and improvement vehicles, often the actual course of events did not turn out as had been envisaged. Frequently matters got worse for many including senior executives, colleagues, as well as myself. I have argued that my narratives of the past thirty years, tell a different story namely that the wholesale view of change through M&As predominantly in terms of growth and improvement is fundamentally inadequate. I have also pointed to the more recent studies which indicate that M&As damage long term performance and that the real beneficiaries are mostly the advisory firms (Bao and Edmans, 2007) and the shareholders of the acquired companies (Cosh and Guest, 2001). Yet despite these studies and my lived experience, we are witnessing ever larger M&As with no sign that these activities might abate soon.

Furthermore, regardless of these studies and a growing awareness of the chequered record of M&As, the mainstream discourse continues to reflect (a) separation of people from businesses and (b) the wholesale correlations of M&As with growth and improvement. By separation I specifically mean how businesses are thought of as whole entities out there separate from the individuals who join, leave or are released through M&As. Even the most current conversations discuss change through M&As predominantly in terms of benefits to the businesses as whole entities and leveraging synergies. Colleagues and executives continue to correlate M&As to bigger turnovers, market share and larger profits. Such a dominant discourse and the literature include statistical analysis and categorizations when discussing such correlations (Higgins et al., 2007; Shi and Prescott, 2011).

In view of the dissonance between my lived experience and what continues to be the dominant discourse, I have therefore highlighted and challenged the separation of businesses and people, thinking of businesses as wholes and correlating change through M&As predominantly to growth and improvement. In this thesis I have explored these as fundamental inadequacies and assumptions in the mainstream depictions of M&As. I argued that these inadequacies and customary assumptions generated expectations through which I too perceived M&As, wholesale as growth and improvement 'vehicles' albeit their implementations 'record' (as if it is a thing) is chequered. I have also reflected on the non-reality, in my lived experience, of separating business and people.

I argue that merging operations, trading patents, technologies, assigning people new roles and responsibilities, reorganizing departments or choosing new names for merged businesses, are social activities. There is and never was or can be only a single outcome (e.g. success or failure) in what is a social activity. Some aspects of a merger could turn out with 'good-enough' outcomes for some to be described as favourable and not so 'good-enough' for others. Furthermore, organizations understood as complex responsive processes of local interaction were not separate wholes, entities or physical objects. People through their local interactions affect the mergers just as the mergers or acquisitions at the same time affect their local interactions in both expected and unexpected ways.

If only certain aspects of these social activities of combining businesses emerge with 'good-enough' outcomes for some, and not ‘good-enough’ for others, then an indiscriminate branding of mergers or acquisitions as good, bad, success, growth or improvement, as the dominant discourse infers (Cosh and Guest, 2001; Graham and Zweig, 2003; Fernstrum, 2004; Goergen and Renneboog, 2004; Bruner, 2009), is not only fundamentally inadequate, it is misleading. I argue that moving away from both the wholesale view and the separation of people and businesses, is also closer to the reality of my lived experience of M&As. This includes moving away from assumptions of people and businesses as separate and an idealized view of M&As explored through statistical approaches common in the literature. Moving away from such assumptions to thinking about M&As as social object (chapter six) involves ‘taking our ordinary everyday experience seriously’ (Stacey, 2010: 23).

Viewing M&As as social object is to understand combining businesses in terms of a particular theme of our organizational activities that included particularizing proposals and idealizations about the envisaged joint businesses through local interaction. This view has stopped me looking for invisible hands or mysterious circumstances ‘out there’ masterly guiding or conversely, preventing our intended changes from materializing the way we had discussed they would turn out. For me, it makes more sense to see M&As as a newly emerged global theme of conversations at and away from work/office. My belief in invisible hands directing or deciding the outcomes as well as things happening by chance are also put to rest.

The narratives of my experience about our M&As reflect how the proposals and the ways they were taken up in various initiatives influenced, often transformed the ways we had been working together. I included the emergence of disagreements on for example new ways of integrating product lines, holding design review meetings or how differing opinions as to who became the new department head, who stayed, who were made redundant emerged. I also included the emergence of feelings of anger, hurt, rivalry, empathy and support for both my old and the new management. These also emerged and played a part in local interactions and hence to varying degrees, in what I experienced and described as this or that outcome. I have also pointed to the literature in which businesses are discussed as wholes or were described as if they were wholes. In combining these assumed wholes executives have rights/powers to choose which ones to merge, and as we did, articulate the various attributes of the envisaged joint businesses also assumed as a new bigger whole, beforehand. These assumptions were never questioned – at least not in the conversations and meetings that I attended. The abstract rational literature views together with the expectations they induced in me and the behaviour of our executives used to remove me from other aspects of my experience, indeed effectively blinding me to the relevance and significance of my lived experience of locally interacting with others.

By 'experience' I am referring to the experience of ordinary everyday local interaction on how colleagues and I behaved and responded to each other and to the merger proposals. In the narrative about acquiring INet (chapter seven) as an example, I felt annoyed when John, with little technical background, supported Michael's idea by describing the integration of LTE into Britsu scanners, pointing as he usually had, to Stuart and me, as the 'techies' for confirmations and clarifications that the ideas were do-able. Although this seemed to annoy Stuart more, the point here is that do-able or not, these were all just ideas, and as ideas they were emerging and evolving in conversations, not messages from the future.
Certain aspects of my reflections, conversations and narratives of experience of M&As, for others might be interesting, amusing or exciting. They include the loss of the relationships I valued or the experience of certain behaviour which I might describe as annoying, unfair, stressful or evil. But all of these aspects emerged in local interaction as my realities and to varying degrees are also relevant to how I would make sense of my experience of change and continuity through M&As.

It is on this basis that I argue that the wholesale view of M&As is an inadequate understanding of these activities. By wholesale here I am referring to how executives, colleagues, consultants and in the mainstream literature local interaction are overlooked, and people tend to view, often with an organizational scale perspective, change and continuity through M&As, in a taken for granted way, as growth and improvement or quicker than the 'organic' option (Janssen and Wagner, 1999).

How does this understanding help in answering my research question of making sense of change and continuity through M&As, and change in the idea of M&As? With power and idealization as aspects of complex responsive processes of human relating, I see the enduring appeal of bringing about intended change and continuity through M&As as a particular theme of local interaction that will continue and evolve. Merged organizations, often viewed as bigger and better, offer new possibilities including economies of scale, market share or purchase of new technologies that make the comparatively smaller, non-merged businesses seem less appealing when compared against these possibilities and potentials - not least in the eyes of those who could benefit from the process. At our meetings it appeared that most people tended to get carried away, making suggestions in conversations by describing the potential attributes and benefits for merging certain businesses. These suggestions also seemed to gather more weight and validity if senior executives supported them or added to them. I reflected on how the less senior members including myself saw our executives as in-charge of our organizations, and through their endorsements they, as the powerful, would empower us to deliver, and so the rest was up to us to ensure that our M&As would turn out as planned. I also felt privileged to be included in such meetings and discussions. Our executives from the mainstream discourse that I had studied and hence perceived had the role of powerful director at the helm navigating and seeing things better from high above. But that, as my narratives have depicted, was not my lived experience of change and continuity that followed despite our full good intentions. My perceptions also related to the concept of businesses as wholes made up of complex inter-related processes of assets and resources (including people), where mathematical and statistical analysis were, as some sort of tools, helping us through the complex challenges of M&As. And this was another area where our professional advisors were involved, which is what I will discuss next.

7.4 The professionals in M&As

Professionally evaluating, analyzing, pricing and estimating the turnover or market position of envisaged merged businesses has emerged as a specialized segment of the banking and financial services industry (Hoang and Lapumnuaypon, 2007). Estimating legal, logistics, commercial, taxation benefits or liabilities for various divisional offices of an acquired company, especially when they were in different countries or estimating the paybacks of acquiring new technologies to the operations of the acquiring company were indeed complex. In our M&As products were designed in Japan, France and Denmark, patented in Europe and USA, manufactured in the Far East, exported and distributed through regional customs and sold in many local currencies around the world.

Whilst sophisticated analysis of possibilities helped certain aspects of our M&As, taken together on their own they did not include or accounted for many of the outcomes. ‘Most companies and M&As immerse the decision-makers in [mathematical] complexity... and business is never as usual’ (Bruner, 2009: 348). On an organizational scale, despite professional advisors and examinations, we frequently found ourselves acting and moving into the unknown including patents and technologies that could not easily be adapted for manufacturing or shifts in market requirements e.g. data monitoring becoming more important than voice monitoring in wireless communications. So from this perspective probably the metaphor of inviting an astronaut guest speaker (chapter seven) was appropriate.

In combining businesses my reality also included managers subjectively engaged in what they were doing and not at the helm despite being formally in-charge. My reality has been one in which no one person or group was fully in-control of what was happening. Yet our executives' way of thinking and conduct about change in combining businesses were that M&As are growth and improvements initiatives even before any merged organizations had been formed. Furthermore, my organizational reality of these activities often included (in hindsight) our executives taking chances which the mathematical analysis is ill equipped to deal with. By taking chances I am referring to how NetTex acquired Photonetics to venture into 'new frontiers' and paid billions of dollars for their patents but then laid off 3,600 of 4,000 staff six months later and was declared bankrupt the following year. Another example was AXCEL's acquisition of NetTex and describing it as 'long term and strategic' but then made half the workforce redundant and selling up to Britsu two years later. The fact that I still had a job while many colleagues had been laid off was uncomfortable. I kept thinking, how can statistical analysis of M&As or describing them as growth and improvement initiatives be any consolation for those who lost their jobs. Griffin (2002: 195) suggests how the mainstream discourse 'largely ignores ethics' and in my experience when ethics was discussed, it was mostly justified or dealt with in a 'dualistic way' in which blame for things turning out 'badly' were linked to the markets, the circumstances, implementations or a few scapegoats. Executives and advisors considered separate from the businesses that were being merged and final discussion rounds often described as too confidential or commercially sensitive were mostly behind closed doors. Reflecting on our M&As over the past thirty years, quantitative assessments reveals an irony: the arithmetic objectivity of mathematics used to lead me to think that we were using professionals and analytical approaches because arithmetic and analytical analysis were the best way of tackling the introduction of the intended changes and the complex M&A transactions. But the identification with mathematical analysis also seems an element in the professionalization, the rise of the advisory firms and the commercialization of these services including literature assertions that

> expert advisors in M&A activities facilitate the undertaking and maximize the value of the transaction, playing a significant and at the same time lucrative role in M&A activities, to the extent of determining the outcome of such projects (Hoang and Lapumnuaypon, 2007)

Routing identification with mathematical analysis seemed to have little to do with whether mathematical approaches to merging businesses would lead to whatever success was meant to be and more to do with power and identity as aspects of human issues in a new sizeable industry. M&A professionals include investment banks, corporate lawyers, accountants, stockbrokers, strategy consultants, investor relations, public relations consultants, and environment consultants.

In the current mainstream discourse these professionals and advisory firms recommend and specify 'to other intermediary in the M&A transaction how to execute M&A projects on behalf of their clients' (2007: 6). All of our M&As involved professional intermediaries on both sides. M&A professionals

> provide services related to M&A transactions including the acquisition of a specific firm, the sale of a company or a subsidiary of the company as well as assistance in identifying, structuring and executing a merger or joint venture (Hoang and Lapumnuaypon, 2007:7)

They also provided 'in-depth analyses of the entity to be bought or sold, a valuation range and the recommended structure' (Graham and Hamilton, 1998). So whether and how change and continuity through M&As have been (or in moving forward might continue to be) correlated with growth and improvement also relates to power, identity and ideology of people of this new industry.

So how do I see the role of the professionals in relation to my research question of making sense of change and continuity in M&As and change in the idea of M&As. I suggest that the issue is not so much whether professional or statistical analysis was or was not appropriate but rather that M&A professionals with their own mindsets, ideologies and intentions were also involved in our local interactions and therefore influenced them. How these professional individuals promote M&As, as well as how our executives, colleagues, competitors, customers, investors and regulators might respond to their assertions and involvements as and when we all take up the particular theme of M&As in our local interactions further validates the social object approach presented in chapter six. I also felt that the presence and participation of these professionals in our M&As legitimized the correlation of combining businesses to growth and improvement.

Attending all meetings where M&As were discussed, going over target companies' quarterly accounts or their interim management statements were regular items of the agenda. A particularly common theme at these meetings was an emphasis on up-to-date and accurate information. And no one disputed the merits of up-to-date and accurate information. A cliché at most meetings was 'you can never have too much information'. Here information was being reified as 'facts, figures and up-to-date company reports' with little attention to how in M&As interpretations and understanding was understander-dependent. My participation at such meetings had mostly been for technical or product integration issues rather than examining company accounts and reports. Just as I mostly felt confident of my technical or product knowledge, our professional advisors and accountants seemed confident in their projection analysis. Sometimes conversations included EBITDA: 'estimates of earnings before interest, tax, depreciation and amortisation on a like-for-like basis before allowance for exceptional restructuring costs'. What I found interesting was how such rigorous assessments were about joint businesses before they were formed. I sat mostly in conditions of ignorance when conversations were about EBITDA or others' figures. Often our advisors and executives would seize on any opportunity to fiddle with their Smartphones to check latest company information, exchange rates or stock markets.

This emphasis on speed then made the pressure on my R&D colleagues and me to accelerate product integrations, acute. However, most telecom product integrations had typically taken a couple of years and definitely much longer than three months. I could not see the point of so much emphasis on the quarterly results nor for that matter annual reporting of our existing or the envisaged (not yet formed) merged businesses. To me, emphasis on annual reporting seemed more appropriate if we were in agriculture, fashion or growing fruit and vegetable where correlating seasons and business activities and the year as timescale, would make more sense but in telecom test and equipment manufacturing the relevant timescale for measuring the consequences of our proposals (even when assuming direct cause-and-effect) had been much longer. So to me these were all also themes of conversations about M&As and as themes they too evolved in other conversations and discussions between other staff and executives away from our meetings in their local interactions. In all these local interactions M&As were accordingly the general and the joint businesses the ideal.

But, one might ask if, following the proposals of my research programme, a more inclusive and narrative exploration of M&As as social object, rather than the mainstream organizational scale approaches, would fare any better. Surely, such an approach would resonate more strongly with the less neat organizational reality that I have been suggesting. But to believe that this would follow in such a straight forward manner, would amount to forgetting the very organizational reality I have been exploring. The accounts in my chapters indicate that the wholesale correlations and separation of businesses and individuals, with many management consultancies preaching it, the stock markets around the world echoing it, the media propagating it, the banks and the management training institutes benefiting from it, have emerged around this correlation and separation.

These are also aspects of 'struggles for recognition and building respectable identities' (Mowles, 2011: 16). Correlating change and continuity through M&As to business growth and/or improvement, using statistical analysis of the often complex multinational transactions is also related to the reality of a multibillion dollar industry with an identity essential to the forming of power figurations reflecting ideologies favourable to M&A experts, publications, advisors and other promoters. Moreover, the official ideology of these activities being rational, aimed at changing businesses as wholes, and for the better involving complex transactions has also enhanced the power of top executives undertaking them, as well as the consultancies and the academics researching M&As.

Applying financial and statistical analysis to second order idealization is also an aspect of complex responsive processes of human relating. To question applying the language of logic and reason or highlight overlooked assumptions of the separation of businesses and individuals of the dominant discourse amount to far more than a dispassionate research argument or presenting alternative perspectives. To challenge the dominant discourse is also to challenge many established power figurations, professional and practitioner identities and ideologies.

The evolution of the mainstream discourse also relates to much of the language of the academic literature and explorations in abstract terms that hardly mention the idealization tendencies that I have been suggesting. I have nothing against abstraction or idealization but a more comprehensive exploration of M&As requires an awareness of the split/separation, common in the dominant discourse, and idealization tendencies. I therefore argue that the popular objective approaches of the mainstream literature, exploration of one's own experience of M&As including the separation of people and businesses and the idealization tendencies (see next section) all play a part in our complex responsive processes of local interaction. And paying attention to our experience of local interaction, how we make sense of our experience and the ideologies our sense-making and conversations reflect, would enhance our understanding of change and continuity through M&As.

I will next discuss the implications of such an approach including the emergence of paradoxical tensions in such an understanding of M&As.

7.5 Paradoxical tensions in an understanding of M&As as social object

As suggested, the dominant discourse about change in relation to M&As is mainly in positive and idealistic terms i.e. thinking about change primarily in terms of growth and improvement in sales, market position or profitability. From such a perspective executives' main focus becomes the choosing and combining of the right businesses. Furthermore, through M&As it is possible with reasonable probability to envisage how the merged businesses would bring about certain envisaged benefits e.g. higher turnover, reduced costs, economies of scale, access to new technologies or markets. Focusing mainly on the potential outcomes was a way of thinking primarily in terms of second order idealizations which effectively removed us from the lived experience of locally interacting that inevitably involved interpretations and so rendering us oblivious to the significance of our ordinary everyday experience. There was little attempt to acknowledge or hold on to the original combining ideas as idealizations in local interaction in some kind of paradoxical tension with the actual activities of bringing specific organizations together. In the narrative about acquiring INet (chapter seven) who had already developed LTE scanner technology, our whole discussions were purely speculative since none of us, including Michael and John who triggered the acquisition idea, had worked for or had any involvement with INet and just few of us actually had sufficient knowledge of INet's technology, especially integrating product lines.

It is in the specific activities of bringing businesses together that the general - M&As - has any effect in the way it is taken up in conversations, discussions and interpretations about actual operations i.e. people's responses in local interactions at specific firms. It is in these specific conversations and or initiatives (reorganizing departments, people and operations) that the social object of M&As arises, is sustained and has any meaning. So to be oblivious to these processes is to block acknowledging any original idealizations. As long as change in the context of M&As is discussed and explored as growth and/or improvement, we are still thinking in the terms of the mainstream discourse which actually treats as superfluous the significance of ordinary everyday local interaction and the ways in which the original idealizations and proposals might get taken up.

Whenever our executives discussed M&As e.g. in the meeting where INet acquisition came up, they always seemed (as I was) pre-occupied with lots of other matters at the same time and generally saw these (as I used to) in line with the mainstream assumptions, and (as far as I know) rarely reflected upon what was actually happening. Therefore, on the one hand, when contemplating M&As, we discussed the attributes of the envisaged combined businesses, estimated increased sales of LTE scanners, etc all in abstract ways i.e. speculating and mostly idealizing. And when a decision was made to take various actions such as doing more research on INet, product integrations scenarios, company valuation, funding and adding the acquisition to the next board meeting agenda, no time was allowed to reflect on what we had actually been doing i.e. articulating speculations and idealizations 'in formal analytical language' (Streatfield, 2001: 110). The process of trying to work out how best to describe things in formal legitimate language (ibid) also seemed to help us get along. John said we can expect a seven percent

increase in sales. I estimated that even winning five tenders might yield more than seven percent growth. Stuart added that each major tender would mostly need just a few key products etc.. so we all seemed to complement and reinforce each others' remarks.
A crucial question then becomes how could we more consciously, include a focus on the way that these formal types of idealizations were arising in our conversations (which were not necessarily wrong or bad) but in a manner that acknowledged them more explicitly for what they were. For example, how could we hold on to our speculations and or idealizations as our gestures when embarking upon actions following such conversations, i.e. those to do with the actual reorganizing of people, operations, departments, integrating product lines. There were also the many expectations which the split/separation and the wholesale correlations of expected change predominantly in positive terms generate i.e. I had always expected things to turn out for the better.

My first argument here is that the view that joining businesses was going to lead to the creation of a better one reflects, if not necessarily enforces the widespread ideologies about M&As. Second, far from diligently carrying out objective analysis and calculations about a bigger and better business, our executives, my colleagues and I were all engaging in and participating in collective acts of imagination which I have called second order idealization which included describing characteristics of an envisaged combined business even before the acquisition.

But these collective acts of imagination were all arising through our local interaction influenced by our everyday politics and power plays as I have suggested in various preceding chapters. In the above narrative the fact that Michael, as a senior director had initiated the topic, gave the idea more panache for me and I felt for others too. This then triggered my own internal thoughts about new possibilities including quicker access to LTE, participation in more tenders and a higher sales forecast. Britsu on its own suddenly seemed less grand compared with the bigger Britsu-INet potential with more possibilities, because I felt that without the acquisition these potentials could not exist. Based on the enthusiastic contribution of others, it seemed that they were also thinking of similar scenarios and possibilities. We all seemed so immersed in such scenarios that by and large, we did not take a reflexive reflective attitude to what we were all actually doing in discussing the acquisition i.e. idealizing. At times I also felt that such collective exercises had brought us closer improving relationships outside these meetings. On the other hand it might also be that some colleagues were participating, contributing or supporting the ideas primarily subconsciously or less excitedly than Michael or John, but as face saving measures to blend in with the rest of the group. Or as in my own case as defence against anxieties of not speaking with one voice i.e. I wanted to remain included. Nevertheless, I would argue and acknowledge that some speculative calculations and abstractions were necessary. However our abstractions and idealizations as gestures and responses at that meeting were giving rise to the social object i.e. the M&As as a general and the combined envisaged firm as the ideal.

So what are the possible implications of my arguments? Firstly ideas about combining of operations, trading of the tools, technologies and reorganizing people all are and emerge in our local interactions. Human beings and social interaction are more complicated than any sets of ideas. There is and never has been only a single or a set of outcomes or interpretation for social activities. To think of change in relation to M&As primarily in positive terms and correlating envisaged joint businesses mostly with ideas of better sales, products or market share is to focus attention on potential specific outcomes for many complex responsive processes of relating across the businesses to be combined. Such a focus also generates idealistic expectations about change through M&As and the emergence of combined businesses. Any intended change e.g. operational improvement or business growth emerges through local interaction between people at the merged organizations. People are hard to predict and motivate and mathematical analysis is ill equipped to deal with predicting change and continuity through social activities. We are profoundly social creatures, have personal and professional network of relationships (Bentley, 2000: 162-170) that may encourage, energize, discourage and bring us closer or stress us. That, for me, is the essence of the word social. We choose our actions and our choices and actions are influenced by others, mutually enabling and constraining each others' choices and actions all at the same time.

I reflected (chapter six) on a particular theme of local interaction (common at our M&A meetings) i.e. describing potential sales, market position or profit levels of envisage combined businesses as bigger, better or higher, before any action to merge such businesses was taken, as second order idealization. Upon further reflections, this is what colleagues and executives still do in how we all behave once the mere idea of a merger or acquisition arises in our conversations – it feels as if we all know what is expected of us i.e. both the taken for granted aspects of the process and the inevitable variability seem to come to our awareness. I argue that viewing M&As as social object, and an awareness of individual and collective idealization as themes of our local interaction would extend our understanding of change and continuity through these frequent and increasingly larger and expensive activities of modern businesses.

A social object view of M&As includes how senior executives' ideas and initiatives might get taken up in local interactions away from the meetings in ways that some would describe as positive or close to the intended changes as well as in ways that might provoke un-envisaged / undesirable local responses. In such a view change and continuity through M&As emerge through local interaction between people including change in cooperation, support, protest, annoyance or resistance all emerging as temporal processes that sustain pre and post-merger organizations, any sales, market position and profitability. Executives are formally in-charge but at the same time not in-control of the complex responsive processes of relating between people so that they can determine how combining businesses would emerge.

The social object view is a move away from the notion of combining businesses as a change for 'good' before any action has been taken, and focusing on the ways these proposals as gestures, arise and influence the emergent properties of people's responses in local interactions about merging businesses. This view invites paying more attention to the interpretive, negotiated properties of how various events emerge and the complex nature of our responsive communicative interaction that lead to any coherence as both the continuity of the old ways of relating to each other and the emergent nature of any novelty that might arise as any newly combined organizations evolve. Viewing M&As as social object is to understand any coherence in these activities in terms of the temporal themes that emerge in each living present. Above all the social object view of M&As is to emphasize 'taking seriously what we are doing' in the context of combining businesses as a particular theme of our local interactions 'and to notice what happens when we are doing it' (Mowles, 2011: 28).

7.6 Making sense of emergence of M&A proposals

Individual businesses evolve, develop capabilities, techniques, practices, patents and market positions primarily through local interaction. These activities are fundamentally conversational and over time might change very little if conversations change little. Bringing people of different businesses together affects local interaction through people's responses, changing conversations, power relating and identity with 'outcomes' which may or may not be as envisaged or in accordance with expectations of executives and advisors.

It is in communicating with each other including conversations that ideas about bringing different business activities emerge or over time get referred to as M&As. It is also in such conversations and through local interaction that the correlation of M&As with growth and improvement have evolved, as have the literature explorations, the forms and financial procedures including the regulatory authorities that now exist. These too have become part of our new habitus, the modern social habits that many of our executives, managers and I, mostly unconsciously enacted which also influence and reflect the mainstream conversations and the academic explorations. It is in such evolving processes that we were ordinarily participating and also in which our idealizations about new merged businesses arose.

7.7 Narrow focus of dominant discourse

As my narratives suggest, discussing or choosing how and which businesses to combine formed only parts of our local interaction when discussing M&As. But the dominant discourse and the mainstream literature tend be organizational-scale explorations often overlooking local interactions. I have argued for a more inclusive view of M&As including our experience of ordinary local interaction in which the wholesale habitual correlations have emerged and the expectations that such correlations encourage. This view is much closer and consistent with the richer reality of my experience described in my chapters. Thinking along these lines has enabled me to understand how, for the past three decades I could experience merger waves, spectacular acquisitions followed by subsequent divestitures and company collapses while at the same time, some of these initiatives turn out with even better than expected outcomes/benefits. The latter do have an impact which might probably be more memorable, but these too emerged through the ways certain proposals were locally taken up in many, many interpretations, improvisations and also surprises too.

My chapters have presented a view of the richer reality of M&As as complex responsive processes of local interaction in which different patterns of power relations, expressed as new department heads, reassignments and redundancies as new categories of inclusion and exclusion, emerged reflecting many ideologies that also influenced our identities. My narratives portrayed everyday activities of typical power relating, colleagues and management making choices influenced by our ideologies even when those choices were described as objective growth and/or improvement initiatives. These were stories of how we were all engaged in and often got carried away with what was locally happening, who would be retained or made redundant, how I felt and responded to these changes whilst at the same time trying to also get on with my job. For me, in many ways, it is now exciting and inspiring to notice how at times, old and new colleagues and I, got along creatively and cooperatively, and at other times in hurtful or destructive ways, in our not knowing. I argue that understanding of M&As as a particular theme of our complex responsive processes of local interaction connects more closely with the experience of the richer reality of how change and continuity emerge through these organizational activities including power and identity. For me such an understanding is making M&As and my experience of these initiatives less anxiety provoking and more rewarding to explore as co-created possibilities.

Finally, since M&As as a phrase in the current dominant discourse seems so wedded to growth and improvement with connotations that people are separate from the organizations considered as separate wholes, I might use an alternative phrase in my conversations, for example responsive combining of businesses. Hopefully this would avoid the triggering of habitual thinking and expectations that the phrase M&As might arouse. For me, an alternative phrase would also remind me that idealization as well as a social object understanding also emerge and evolve in local interaction. An alternative phrase could remind me that our articulations about the potential characteristics of envisaged combined businesses were not messages from the future but a tendency in our local interaction in the context of combining business.

Summary of contribution to knowledge

I have explored M&As as a particular theme of my experience of organizational life. This dissertation has, therefore, become an intensive reflection on personal experience of involvement in nineteen M&As spanning over 30 years. I argue that, such a span of research focus on lived experience of what actually happens in M&As is extremely rare in the literature and in itself is a contribution to knowledge. In contrast, the mainstream writers and practitioners focus of attention is on abstract notions of businesses as wholes whose integration can be designed to produce desired outcomes. Such notions include the possibility of prediction about the future of merged businesses. I challenge all this and argue that no matter how diligently the companies to be merged are selected and integrated, outcomes in M&As are neither predictable nor controllable.

I also argue that changing our focus of attention, as I have done in this research program, on our experience of local interaction, can enhance our understanding of this particular theme of organizational activities. Such a focus highlights idealisations of this theme in local interactions. Furthermore, I have drawn attention to the idealisation of the envisaged products of such organizational activities i.e. the merged businesses before they exist. I have explored the combined influence of idealising M&As and idealising the merged businesses (as second order idealization) on expectations of outcomes and how they are experienced.

I also proposed a social object understanding of this theme of organizational life. Such an understanding, I argue, can enable us to make sense of the way people are reacting to this social object as it is emerging in local interaction. It then makes it possible to notice and explore the enabling-constraining influence of this social object on our local interactions as well as the contingent nature of ethics in M&As.

In the following pages I explicate what some of the insights of the assertions of this research could mean for others in similar situations.

Implications of this research

Drawing on complex responsive processes theory I argue that regardless of industry, selection criteria or implementation schemes, the future performance of merged companies is neither predictable nor controllable. This is because combined businesses emerge and evolve through 'the interplay of intentions, choices and actions' (Stacey, 2010:53) of their members and between them and others including advisors, mediators, owners, competitors, customers, regulators and the media. No one can control this interplay, predict or manage it because no one can know or control what everyone else is thinking, choosing and doing. This interplay takes the form of local interaction between interdependent people which includes competing and co-operating with each other in 'ordinary, everyday politics of organisational life' (Mowles, 2011:7).

I am not however, making a case against M&As. In the increasingly global business operations and new technological innovations, sometimes M&As might seem desirable. However, each initiative will be particularized in its specific situation that will never be exactly the same as another, which adds new uncertainties and unpredictability in how change and continuity through M&As emerge.

At the beginning of this chapter and later in more details I mentioned the emergence of national and international regulatory commissions, statutory laws as well as professional M&A advisory firms. These all play a part in the current dominant discourse including abstract generalizations about businesses as distinct entities whose integration can lead to growth and improvement. The details of my work highlight how, in these abstract generalizations, rules and regulations as well as the mainstream literature, people and what they actually do through these activities in their local interactions, disappear.

What people actually do includes the habitual ways of separating individuals and organizations, as well as routinely associating M&As with growth and improvement. I have argued how these habitual ways of thinking also sustain and reinforce the current dominant discourse. Furthermore, compliance with the newly emerged regulations provides additional sources of blame and/or explanations for undesirable as well as the all too frequent unexpected outcomes.

For three decades, I have been hearing people at M&A meetings talking about uniting energies of two good businesses, aligning potentials, together becoming a stronger player, or better and bigger than competitors. Combined businesses emerging and evolving through the patterns in local interaction of their members also underlines the importance of people not getting on or cooperating with each other, in how all outcomes in business integrations emerge. Focusing on local interaction as I do in this dissertation makes a further contribution by highlighting how crucial the unpredictability of people's responses to being reorganized can be. M&As unsettle the temporally established patterns of pre-merger power relations and give rise to the new ones influencing and transforming ideologies that are reflected in the choices people make including staying, cooperating, arguing, leaving or getting dismissed. All of these emerge in interplays that no one can foresee or manage.

Whilst my thesis is an exploration of the nature of change and continuity through M&As it also draw attention to the change in the idea of M&As and how through our involvement we experience this change. My thinking used to include viewing M&As as something out there that every so often came round, messing up my relationships and life. I am now thinking about my involvement and reflecting on the nature of my participation in local interactions with others. I reflect not only on my experience of involvement but also how I am making sense of my experience of living through M&As. Since I am not unique, others too would have similar experiences of change and continuity through these organizational upheavals and change in the idea of M&As. In this context, I have drawn attention to how literature articulations about this particular theme of organizational activities have been continuously changing. Despite many decades of research there is no clear commercial or academic consensus about the impact of M&As on business performance. Furthermore despite this *evidence* there is no sign that M&A activities will abate any time soon and we even continue to see reports of ever larger M&As following each crisis (dot com bubble and the credit crunch). I drew attention to how this change is reflected in the literature descriptions including the 19010s M&As as monopolization attempts, economies of scale efforts and globalization in later decades or more recently to leverage convergence of technologies. All this supports a social object understanding of this theme of organizational activity.

This research however, is not meant to form another piece of M&As as if solving a puzzle, neither is it a guide to more successful mergers. Rather I have explored M&As as a specific theme of organizational life. Through this exploration many generalisations and possibly negations may emerge as others relate to my experience to help make sense of their own. People reading my thesis might pay attention to different aspects of their own experience; their particularizations of my experience to their own situation, is an example of how this research may be generalized more widely. Personal reflections when exploring one's own experience do not produce macro prescriptions about M&As, but they do express how similar themes might emerge, and influence the local interactions in which they are particularized.

'Justification and validity arise in complex social acts in which people refer to the sensuous experience they have in common of the real world they live in' (Stacey and Griffin, 2005:39). Certain aspects of my narratives, reflections and assertions as a result of this research programme, might resonate more strongly for some people than others. My narratives or assertions might also come up in their conversations when they engage in their own discussions where people might agree or challenge my assertions. In this way of exchanging propositions, and how my research is challenging existing ways of thinking; would lead to new conversations. This is another way that this dissertation makes a contribution to knowledge i.e. movement in thought and so action.

Raising questions about the dominant discourse:

As previously explained in more detail, I have questioned 'if ... then' assumptions in M&As. Since this assumption, in nineteen M&As never applied it then follows that to pre-view outcomes through M&As in terms of business growth and improvement amounts to putting 'thought before action' (Griffin, 2002: 25). At, and away from meetings, far from factual analysis, people participate in collective acts of imagination, envisaging change and continuity primarily in favourable terms. These often include certain lowering of costs, increase in sales, profits or market share of joint businesses even before they exist.

In raising such questions and highlighting these tendencies in the current dominant discourse, I am inviting others to pay attention to what people are actually doing in these organizational activities. This can improve our understanding of change and continuity through M&As rather than prescribing what others ought to do better or more. For example, better characterizations and methodologies to define the merged entities with this or that performance/ characteristics. What I have done in this research is to highlight the complex responsive processes through which colleagues and I co-created meaning for M&A proposals and agreed implementation plans. This was done through conversations which include idealizing the proposals and what we agreed had to be done to create joint businesses. So not only did we idealize these activities as M&As, we also idealized the product of these activities i.e. our designer businesses before they existed. My narratives depict how, when the combined businesses were emerging not as expected, labelling various consequences as unintended consequences (e.g. unexpected resignations, redundancies, share price dropping) seemed acceptable as explanations which often exonerated us from being responsible. Conversely managers or certain individuals were described as heroes and masterminds if sales, profits or costs, actually improved, or conversely people were labelled incompetent if they had not. Furthermore, in the latter case, as my narratives have depicted it was not unusual to redefine and re-present performance figures as if things had improved which also points to the contingent nature of ethics in M&As.

Raising awareness to external observer positions in M&As

This research highlights how to design merged businesses and label what emerges is done from external positions to the organizations. When I started this research, my belief in the possibility of creating better businesses was feeding my hopes of eventually becoming an M&As alchemist. And it has been hard to accept that there are no golden rules to creating designer businesses. Hopes, beliefs and values and their subjective/objective nature emerge and evolve in a history of local interaction. I grew up watching Superman movies and had read many 'how-to' books. Joining M&A meetings with senior business executives and owners present sometimes felt like being with supermen and things being for real. It was only after a good few M&As and results not turning out as expected that feeling frustrated and confused, I started questioning what we were actually doing. Initially, I too believed that we had not got the plan or the implementation right. A few years into this research, I drew parallels between getting M&As right and finding pots of gold at the end of rainbows. I also thought that those promoting M&As must either be liars or fools. But neither need be. I am highlighting the nature of the current dominant discourse about M&As as a social reality. Over the years, this discourse has evolved and is also supported by many academic views, the media as well as the vast and 'growing numbers of [actual] M&As totalling $2.7tr last year' (Lucas, 2012). Also established is the large number of professional promoters, valuation companies, mediators, commercial and legal advisory firms and financial institutes all supporting M&As (Russo and Perrini, 2006; Bao and Edmans, 2007). Challenging the dominant discourse and justification are accomplished in debates which inevitably involve contention especially in the face of such a powerful discourse. Claims to any truth rest upon interpretation and justification; that is, on belief. What can be justified becomes our truth. As we (Stacey and Griffin, 2005:41):

> struggle together to justify the assertions we make on the basis of belief statements, we create fuzzy narratives of experience. Justification and validity also arise in complex social acts in which people refer to the sensuous experience they have in common of the real world they live in.

What I and hopefully others for whom the assertions of this research resonate with their experience can do, is to reflect on our assumptions and challenge existing ways of thinking and beliefs which could stimulate new conversations. Through such conversations we may notice transformation and movement in the nature of our propositional beliefs. As such movements occur we might all find ourselves fitting into our social nexus in different ways (ibid). This is another way in which the insights from this research into making sense of change and continuity through M&As can lead to movements in our thoughts i.e. contribution to knowledge, and therefore conduct in our organizational lives.

Appendix 1: Literature Review

A1.1 Literature review map

The main strands to the literature review in this appendix will be those of Mergers and Acquisitions (M&As) and the Telecom Industry. To provide a more sensible context, the appendix traces the evolution of these business activities, focusing on M&As from the *economics*, *strategic* and *corporate finance* perspectives.

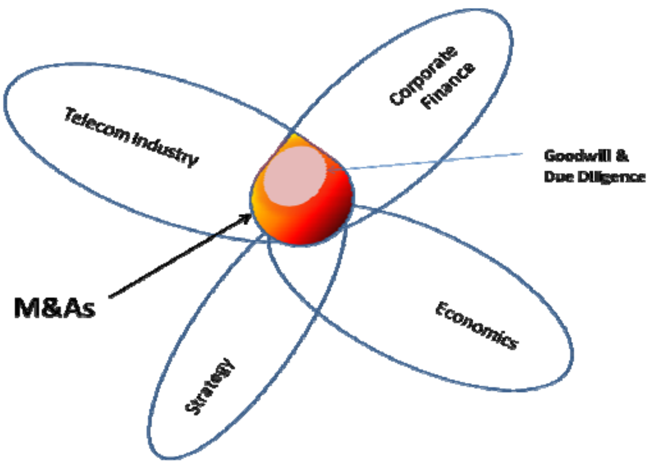


Fig. A1.a Literature review map

To present a more inclusive view, the more recent *due diligence* and *goodwill* themes are also included under the corporate finance section. The evolution of telecom industry is also traced as depicted in figure A1.b.

Fig. A1.b Evolution of telecom industry

Another purpose of this literature review is also to allow the readers to be somewhat brought up to date with the recent research in the field of M&As and specifically telecom M&As, in order to follow the proceeding analysis. To this end, the appendix presents the development of M&As, tracing their evolution from an informal deals embedded in networks of social relations, to the present day established business activities where the whole company, is traded as a valuable asset. Although the contemporary M&As involving hostile takeovers, tactics and struggles for corporate ownership and control were not widespread certainly in Britain until the 1980s, many studies go as far back as the 1960s or even the 1950s. Haslem (2006) propose that M&As up to 1960s had more of an *economic* perspective with those of 1970-80s and post 1990s having more of a *strategic* and *corporate finance* perspectives. Accordingly, the structure of literature review of telecom industry M&As in this appendix has the following focus:

- **Economics perspective**
  - Classic
  - Neoclassic
  - Institutional
  - New Institutional

- **Strategic Perspective**
  - Telecom industry M&As as strategic choice
  - M&As in strategic models

- **Corporate Finance Perspective**
  - Goodwill
  - Due diligence

The classic economics section covers notions about companies and firms and traces the 'merger booms' in US and UK providing context for the subsequent sections.

The *telecom industry* is more of a vehicle for the exploration of my experiences of M&As. It is therefore incorporated in the strategic perspective literature review section in the form of evolution of telecom M&As as strategic choice in both national and international contexts. Additionally, the literature research is necessarily not limited to companies and businesses listed on various stock markets whose accounts and performance figures are formally published. Although there is no formally published legal records for the substantial number of unlisted private and smaller companies, nonetheless they part take in M&A activities. A particular difficulty in researching M&A activities of such firms is the somewhat openly declared secretive nature of amounts of purchase, payment arrangements and other underlying reasons for the activities of such firms. Whilst M&As of these smaller companies taken individually may not appear from a monetary perspective significant, they do in aggregate influence the emerging picture of these activities.

A1.A Tracing emergence of business activities to M&As

M&As can be understood better in the historic context that culminated to their status as a major phenomenon in contemporary business activities. Braudel (1995)[2] suggests in the 11th century Egypt, merchants had trade association with various forms of credit and payment. In the 12th century France the *courratiers de change* managed and regulated debts of agricultural communities on behalf of the banks. In the 13th and 14th century, independent city states not ruled by a duke but a council of influential citizens formed banks in Pisa, Verona, Genoa and Florence[3] for trading in government securities. The Dutch later in 16th century started joint stock companies, which let shareholders invest in business ventures and get a share of their profits - or losses. The Amsterdam Stock Exchange emerged in the 17th century, said to have been the first stock exchange to trade in international businesses investments, debt-equity swaps, merchant banking, trusts and other speculative instruments. Other historic stepping stones towards emergence of major businesses include:

16th Century:	new methods of making glass, clocks and chemicals
1674 Agricultural revolution	root crop rotation, nitrogen fixing and seed drilling
1705 Steam Engine	T. Newcomen built pumping machine for eliminating seepage in tin and copper mines
1725 Breeding Stock	R. Bakewell Pioneered systematic sheep and cattle breeding of food quality as well as wool and strength

[2] Translation of his 1962 '*A History of Civilizations*' (1995)… see further readings list

[3] Kay J. 2003 – The truth about the market culture and prosperity

1733 Textile Industry	Emergence of mechanized processes leading to formation of textile industry: patents on flying shuttle for weaving, water frame for producing yarn, spinning jenny, Crompton's mule producing volume quantities of fine strong yarn, printing patterns on surfaces of linen, automatic power loom manageable by women
1750s Railroads	Rail used to move coal from pithead to colliery/furnace
1770 Steam power	Steam machine experiments with engines in ships
1774 Factories	Boulton-Watt partnership firm produced 500 steam engines liberating factories from the streamsides
1800 Railways	Flat tracks in use at Sheffield and Munich -expansion of commerce, pressing need for movement of goods from factories to ports+cities-1801 Trevithick engines pulling trucks in Cornish mines-1830 Liverpool – Manchester railway was opened
1839 Atlantic Crossing	British government award Samuel Cunard contract to carry mail between Liverpool, Halifax and Boston.
1840s Shipping Industry	A penny post on all letters in Britain. Regular steamship Atlantic crossing effected hull design, engines, and fuel. Propeller replaced paddle wheel, steel replaced iron in the hull and multi cylinder engines manufactured.
1842 Railroad expand	France began a railroads system combining private and public enterprise- Government provided the roadbed, leasing to private companies providing equipment. British equipment, capital+technicians appear in Europe

1850 Raid Networks	Cheap iron and machine tools used to build network of railways with trains travelling at 50mph- freight became more important than passengers. In UK government intervened to regulate monopoly of inland transport
1871 Communication	Telegraph cables reaching London to Australia flashing messages in seconds speeding commercial transactions
1873 Electric Power	Faraday dynamo in generators using falling water in mountains to distribute electricity by short transmission lines. 1890 first electric streetcar in Florence proceeding to Europe's electrification –1920 Germany was supplied with electricity industrialization of Russia in 1930s and by1936 Britain had built the "electric grid"
1875 International Mail	The Universal Postal Union for mail between countries.
1876 Telephone	Bell invented telephone-became popular decades later
1890s Wireless	Wireless telegraph standard on ocean going vessels
1900 Transportation	Combustion engine developed in Europe came into its own first in US and growth of motorcar industry transforming US+European social patterns, and created large fields for investment, new types of service occupations, and revolutionized road-making. Not long after airplanes eclipsed railroad trains as commercial passenger carriers.
1920 Diesel Engine & Radio	Smaller lighter diesel engine replaced steam engines. Invention of radio and emergence of state operated and controlled broadcasting in Europe but in commercially used in USA.
1950 Urbanisation	English population half lived a rural half in cities. Same pattern repeated by end of the in Europe. - Industrialization called for concentration of work force - Necessity for marketing finished goods created urban centres, where there was access to water or railways. - Natural tendency for established political centres, to become centres for banking and marketing in societies

A1.B Tracing story of telecom M&As to present day

This section is an attempt to put M&As in context of changing times by a short survey of the broad sweep of their history over the past few decades. It's the story of how I see major events and the interplays of themes that influenced how the telecom industry and its firms, from my perspective as a practicing manager, have become what they have become. The dispersed processes of commercialization of new technologies lead to emergence of early industries such as the railroads, shipping, steel oil and food processing fuelling the rise of the early business empires (see later). This process was punctuated with the close of world wars when millions of returning servicemen and women re-joined workforces. Wasserstein (2001) believes that

> "this influx combined with the pent-up demand for industrial expansion, sparked economic booms"(p.53).

A further punctuation of these themes was periods of intense, industry-specific regulatory activity and telecom industry was no exception. Many of these government interventions though intended to protect public interests often complicated matters with unintended consequences.

By late 1970s and 1980s, much of the regulations conceived over the previous decades appeared as unhelpful and the regulatory agencies were no longer seen as serving the public interest. Moves towards deregulation of a number of industries including the telecom, transportation, banking and financial services was gathering pace by mid 1980s.

For example the international monetary system made it easier to transfer capital between countries which contributed to the globalisation aspiration of many telecom firms.

Privatization movements accompanied deregulation of some industries exposing previously state owned monopoly giants, for the first time, to market forces. Telecom industry was included in earlier programmes in UK in late 1980s (see later). Telecom markets deregulations continue around Europe and the rest of the world to date.

Klein and Klein (2000) and Wasserstein (2001) view correlations between surges in M&As activities and governmental actions such as deregulations, alteration to regulations or taxation, which resonates with many aspect of my own experience of these activities.

A1.1 Classic Economics Perspective

Samuelson (1970) describes M&As as "one of nature's method of eliminating deadwood in the struggle for survival" (505). M&As in *economics* are regarded as microeconomics (Kay, 2007) which is concerned with the behaviour of individual agents in the economy such as households and firms - and with individual industries, markets and the prices of the goods and services sold in them and along the same path we'll find topics such as taxation and privatization.

Golbe (1993) observed a cyclical pattern of M&A activity purporting five waves of M&A activities; those of the early 1900s, the 1920s, the 1970s and 1980s and those of the 1990s. Since then other authors have also described periods of heightened M&A activities (Wasserstein, 2001; Kay, 2002; Geisst, 2004) dating back to the 1890s in the US and in Europe as early as 1960s when merger and acquisition emerged as a frequent business phenomenon (Goergen and Renneboog, 2004). Some studies (Vos and Kelleher, 2001) posit that 'in a theoretical sense, when considering M&As .. employment of a capital budgeting Model' (pp1-3).
is one of major considerations and they conclude that correspondingly, the driver of all M&As should be to increase shareholder value. In a similar vein others (Mandelker, 1974) emphasise that the principal goal of a firm should be the maximisation of stockholder's wealth.

Boateng (2006) posits that despite the wide-ranging organizational changes associated with M&As, firms see great potential advantages resulting from undertaking such activities. These include relatively quicker acquisition of expertise, technology, products, complementing ongoing internal product development, reduction in exposure to risk and lastly, achieving economies of scope and scale. M&As are also conceived as a way to enable firms to take advantage of the market imperfections, as a way of gaining a competitive edge (Ferraz and Hamaguchi, 2002; Boateng and Lodorfos, 2006). However, M&As only become economically relevant (Ferraz and Hamaguchi, 2002) if they ensure substantial reallocation of resources in a short period of time, and if they possess the potential of generating wide-ranging institutional and organizational changes. These authors describe M&As as

> a way to provide opportunities for replacing inefficient capital owners and management, thus enabling better use of productive assets (p.383)

Financial theory (Friedman and Gibson, 1988; Maremont and Mitchell, 1988) implies that M&As occur in the hope of positive synergistical effects, with many managers citing synergy arguments in order to justify their actions. Reasons offered for these effects include gaining faster access to new technologies or new markets, benefiting from economies of scale in research and/or production, tapping into sources of '*know how'* located outside the boundaries of the firm and also monopoly type advantages (Porter, 1987). Economic theory (Buckley and Ghauri, 2002) conceives that by and large 'the acquirer will purchase the target at a price which is equal to the second highest bidders' willingness to pay'(p4).

An estimate of the amount of the positive synergistic effects that the management of the acquiring companies believe could be obtained from the acquisition (Friedman and Gibson, 1988) is the difference between the price paid by acquirer and the second highest bidders' price.

In the context of telecom industry, potential unique synergies might be realized in *cross border* acquisitions. These could include factors such as the level of trade between the countries concerned, geographic distance, improving network efficiencies or enabling carriers to better serve the increasing globalized nature of businesses of corporate customers. Such unique synergies might increase the value of the acquiring company in the form of the acquirers' share price rise after the announcement. Determination of value creation (Subramani and Walden, 2001) is embedded in the voluntarily upward revisions of estimates of stock price by the investors in capital markets.

In the following section I will briefly review the historic trend of M&As first in UK and US followed by a discussions on the firms. I then explore the economic paradigms of neoclassical, institutionalism and new institutionalism perspectives on these activities. Each paradigm pays more attention to some aspects or the reasons attributed to their outcomes.

- United Kingdom M&As

There have been four great merger booms in Britain this century (Kay, 1996). The first was around the early 1900s and the development of mass production techniques which increased the efficient size of manufacturing plants and firms. Many of Britain's big names such as ICI and Unilever, emerged in this era. Next wave was around 1960s, when as a response to the growing overseas competition, the solution was considered to be strengthening the home markets position and few of the firms created then such as British Leyland or ICL enjoyed relative success. The third boom was the 1980s' merger boom the flavour of which was no longer size, scale, or the development of British super firms. In the 1980s mergers many spoke of 'releasing value' believing that a good management teams could run almost any business whether through acquisition or buyout and provide better returns on same assets. Hostile bids, unknown before the 1960s and rare even during the 1980s became typical in cases such as Burtons's acquisition of Debenhams, Guinness won Distillers and Sir James Goldsmith unsuccessful bid for BAT. But for the M&As of the 1990s, the reasoning changed to strategic logic (Kay, 1996), with the emphasis being on partnerships, alliances, integration and related diversifications.

- United States M&As

In US the first of M&A waves was, according to Geisst (2004) for industrial consolidation to eliminate ruinous competition mostly 1960s. This was followed by the conglomerates of 1970s where the founders, often self made men, boasted they could do a far better job of running traditional companies than the cautious placemen then in charge. The third wave (Geisst, 2004) followed the Leverage Buyouts (LBOs) of 1980s where managers borrowed money to takeover their own companies. Probably the main intention of LBOs (ibid) was that freed from the tyranny of head office and stock market, and facing pressure from the discipline of regular payments, managers would run the business as owner managers. The final category of M&As accordingly (ibid), was consolidation of maturing industries of 1990s, e.g. oil, pharmaceuticals, and the merging of linked industries such as insurance, banking, media and internet.

Similar to Kay (1996) on M&As in UK, Wasserstein (2001) saw four merger waves in US: **First wave** during 1898 – 1902 when the US industrialization became fairly well established, and the legal framework provided by the statutory revision of New Jersey Holding companies Act of 1888, allowed companies to own companies in other states. These were between firms in same sectors (horizontal mergers) and were often justified on the grounds of:

a) increased efficiencies
b) gaining economies of scale
c) elimination of unrestrained competition

3000 firms disappeared, with electric, oil, steel, tobacco, chemicals, and canning industries highly consolidated with most market power in one or two hands, e.g.

- the entire US refining business controlled by the American Sugar Refining Corp.
- Pullman Palace controlled 85% of railcars market
- American Tobacco controlled 80 of tobacco market

The backlash against concentration of wealth and power in one or two hands, and consumers vulnerable to price fixing led to the Sherman Antitrust Act of 1890 and break up e.g. General Electric, US Steel, Standard Oil.

The second wave (ibid) around 1926 – 1930 was an era of industrial growth and the rise of the stock market fuelled by expansion of established industries e.g. oil, steel, electricity, plus the newer automobiles, airplanes, movies and radio industries. The second wave of 4200 mergers resulted in formation of 200 large companies such as GM, Ford, Merill Lynch who controlled half of American wealth which had doubled to $178bn over 1900 to1926. When stock markets crashed in Oct 1929 (ibid) banks were blamed as they played a major part in fuelling a speculative binge in both their position as bankers and their emerging role as marketers of corporate securities.

Third Wave of circa 1960s followed the organic industrial growth decades of 1940-50s and saw the transition of US to a peacetime economy (ibid) and the rise of the conglomerates era. This rise which led to formation of ITT and Textron among other giants was driven by:

- Antitrust security regulatory environment
- Widespread belief that "the best and brightest could manage everything" i.e. transferability of management skills between companies in unrelated industries.
- Increase in earnings per share and higher stock price becoming fashionable
- Continuously growing, as the manifest destiny of corporations

Wasserstein (2001) believes that on reflection, much of the M&A activities of the 1960s wave, now look strange:

- Pairing of RCA, a defence technology company with a frozen food company
- Jimmy Ling's golfballs, pharmaceuticals and meat packing company
- Textron's made up of zippers, chain saws, fountain pens, rocket engines and helicopters

In fact Wasserstein (ibid) considers that much of the next activities of the 1980s and 1990s involved undoing mergers and acquisitions made in the 1960s.

The fourth wave: 1980-1990s was of the previously unheard of foreign competition, and saturation of steel, automobile industry that spawned a job loss trend as early as 1970s culminating in shedding of 3m jobs between 1979-1988. This appears as consequences of a drifting away from investing in real production to speculation in shares and currencies around 1960s. Nonetheless (ibid) juxtaposition of growth in emerging new industries such as cable TV, wireless communications, consumer electronics, computers and overnight carriers with the maturation of pharmaceutical, consumer goods, retailing, insurance, publishing and movie studios industries, provided powerful incentives for the fourth merger wave with 22,000 M&As between 1981-1989. Characteristics of this merger wave were:

- Strategic purchases by financial buyers
- Going private funded by financial buyers
- Foreign multinationals move into US
- Hostile Take-overs
- Congress reviewing hundreds of bills to curb the merger market

Observation and navigating the literature review

Although a specific classification is impossible (Martynova and Renneboog, 2005; Boateng and Lodorfos, 2006), it may be reasonable to contend that the M&A wave of the 1960s on both sides of the Atlantic by and large had an *economics* perspective. Also the 1970s and 1980s M&As had a *strategic* approach whereas the wave of the 1990s had more of a *corporate finance* perspective to take advantage of the newly relaxed state and regulatory controls. So the latter had more of corporate finance context. I therefore intend to consider the reflective evolution of the notions of the firm in the M&As arena and then accordingly proceed with the three-prong perspectives just described.

A few words on the notions of the 'firm' in M&As:

It might therefore be appropriate to apportion some lines on the notions of firms in the context of M&As, before the review of M&As from the first perspective of economics.

Although the word ‘firm’ arouses a variety of notions and connotations, a more recent description (Coase, 1990) in economics context, refers to it as *a number of people forming a group for economic activity*.
In institutional economics (Hodgson, 2001), the `firm’ , the `corporation’ and the `company’ are used as virtual synonyms.
Griffin (2002) sees the Latin origin of the word ‘corpus’ , meaning the ‘body’ in relation to corporations, rooted in the legal systems of the West built on the notion “*people working together in groups*”(p.16).

The modern laws of contract and trade have precedents in the Roman Empire (Hodgeson, 2001). Under Roman law it was possible for a merchant or producer to own capital goods, hire workers, buy slaves, and engage in trade. These institutions might be regarded as firms, but the real origins of the terms `company’ and `corporation’ are, according to Hodgson (2001) medieval. Moreover, in different countries, firms evolved in different ways. For example, in medieval Italy the `company’ was formed (Greif 1995) by several individuals agglomerating their capital and by establishing a partnership. Each partner invested some capital in the company and took a share of any profits in proportion to his investment. These arrangements were originally between members of the same family (Hodgson, 2001), but were later extended to cover non-family partners (compagnia). The earliest post-Roman record of such a legal partnership was that of a group of merchants in Genoa in the twelfth century. In medieval England (ibid) in contrast to the Italian compagnia, the `corporation’ was a term to describe organizations that received a Royal Charter from the state, involving special privileges and immunities.

Others (Putterman and Kroszner, 1996; Hodgson, 1999) consider three different conceptions of the firm as

> “ the firm as saleable commodity, the firm as production coalition and the firm as polity or association” (p.243).

There are numerous other attributed concepts for the firm (Marshall, 1919; Smith, 1976) as cited in Hodgson (2001) such as an integrated and durable organizations involving two or more entrepreneurs, acting openly or tacitly as a `legal person’ , pursuing maximization of profits by owning assets, setting up capacity and structures for the purpose of producing goods or services.

Thus according to the above notions, a firm can win market share by reducing costs or increase profits in comparison with other firms or rivals. And so by and large from an economic perspective, there is no real sense for one firm to acquire another. But the real world is much more open ended and M&As between firms do take palace. Probably because people within a firm do not have unlimited time, unlimited access to information, unlimited analytical capabilities to scenario plan the outcome for every possible decision and action they take. Collins (2003) believe that classic economic approach does not differentiate between analysis at the individual level to analysis at the firm level. In this regard there is an overlooked assumption that the actions of the firm are those of the individual and vice versa. Schrader (Schrader, 2007) further adds that

> "there is no mechanism in neoclassical classical economic literature to distinguish between the different levels, the firm is generally regarded as a type of individual pursuing profit maximization"(p48).

Organisations in law Jensen and Meckling (1996) suggest that the legal nature of the firm that allows some organizations to be treated legally in some respects as individuals means that firms in fact are individuals, concluding that it makes little sense to try to distinguish those things which are inside the firm from those things that are outside of it.
Another supposition in economic theory (Collins, 2003) is "the ludicrous assumption of homogeneous firms" (p.989) in that firms are *all* the same and these unvarying firms compete with each other and the fitter ones grow by increasing market share, hence no need for merging or acquiring one. Collins (2003) validates her view by citing Edith Penrose (1959) stating that 'neoclassical economics does not examine mergers often, but when it does it treats them as pathology' (p988).

Collins (2003) critiques classic economics perspective oversight of M&As by noting that if a firm is less efficient than rivals it will adapt or go out of business. Or if the firm can reduce costs, or increase profits in comparison with rivals it will win market share moving instantly to align structure and strategy without any ambiguity on availability, completeness and integrity of the necessary information and error free computational ability. Any path taken by the firm, comments Collins (ibid) is therefore risk-free towards growth and hence no need to merge. And so there probably is no need to pay attention to M&As from classic economic analysis.

A1.1.2 M&As in Neoclassical Economics Perspective

One traditional explanation offered for M&As from neoclassical economic perspective (Collins, 2003) is that they are a type of 'cartelism'. Collins (ibid) elaborates that, neoclassical economics views of M&As as a form of cartelism potentially enables firms to better exploit their market share leading to increases in profitability.
Williamson (1968) acknowledges that the increased market power of the firms through M&As, might lead to a welfare reduction for consumers due to loss of consumer surplus. Observing M&As as a growth path, Scherer (1988) notes that, the often unquantifiable potential efficiency gains of M&As, could well reverse or reinforce the often welfare loss. Nonetheless, both Williamson and Scherer support M&As as *market outcomes* with potential efficiency gains. Collins (2003) nevertheless, criticises neoclassical economic perspective, for lack of history. She points out that from this view the "before and after are collapsed" with no time lags, nor loss of information, no trial and error and no learning ever going on. Presumably firm owners somehow just know what is best for their firms and "if we do not see this, it is because we are using the wrong criteria to judge success (p.990)".

Lubatkin (1983) reported that by and large widespread efficiency based theories were not empirically verifiable. Others have studied the rationale for M&A activities (Berkovitch and Narayanan, 1993; Markides and Oyon, 1998; Trautwein, 1990) concluding in a similar way that their evidence too suggested that a substantial majority of acquisitions result in losses rather than gains for the acquirers.

Neoclassical economics in Collins (2003) opinion appeals to "separation of ownership and control of the firm" as an explanation for M&A failures, shifting the analysis from firm's profit maximization function to managers maximizing their personal utility function {Chatterjee, 1996 #155}. The hypotheses that managers pursue their own objectives such as growth or empire building at the expenses of shareholder value is known in the academic world of economics as *hubris* (Roll, 1986; Kay, 2007) where overconfident managers with overinflated egos, over bid in acquisitions (Sirower and O'byrne, 1998). Vos and Kelleher (2001) supporting the hubris hypothesis report strong correlating indications to imply that the majority of acquisitions cost more than they are worth and most mergers fail on various financial grounds. Lorenz (1986) reported that takeovers are "at best an each way bet" supporting Hunt's (1990) conclusion (using accounting or finance or managerial assessments) that "most studies of acquisitions produce a success to failure rate of 50%" (p.70). Similarly by using the earnings performance after takeovers Herman and Lowenstein (1988) and also Ravenscraft and Scherer (1987) interpret that merged firms have no operating improvements. Zalewski (2001) similarly examines some extreme managerial abuse cases whilst Froud et al. (2000) from the perspective of impact of restructuring on shareholder value, observe that mergers fail to improve shareholder value in more than 50% of the cases. Collins (2003) criticizes different explanation of M&As from the neoclassical theories of

- a form of cartelism,
- economic pathology and
- separation of ownership and control

based on the analysis that these are derived from the propositions that

> optimal equilibrium not only is possible and desirable, but also achievable; it is the goal of the economic agent; no time lags exist in moving between equilibrium; no knowledge is lost; no trial and error learning is going on and the firms are simply the summation of individuals within it' (p990).

A1.1.3 Institutional Economics view of M&As

Before reviewing M&As from institutional economics perspective, it is appropriate to state a few words about this field. Institutional economics which was at its height over 1918-1945 (Hodgson, 2007) is commonly associated with T. Veblen, J. Commons and W. Mitchell, declined after 1930s and been revived in recent decades (Hodgson, 2001; Rutherford, 2001). According to Veblen (1898) in institutional economics, broadly speaking, institutions are 'settled habits of thoughts common to the generality of men'. Hodgson (1992) protests at such a general definition commenting that "definitional imprecision in the literature" (p43) since 1975 has lead to being ill-equipped to deal with the explosion of interest in the study of the firm as an institution. He offers his own definition as'durable systems of established and embedded social rules and conventions that structure social interactions' (p295).

Hodgson (2001) rejects the repeated claims by others that all attempts to clearly define `the firm' are fruitless and believing that such '*licensed imprecision*' promotes practices of abstract ambiguity and *'terminological sloppiness'* seen in the business and economics literature. Hodgson (ibid) appears to supports efforts at defining firms as "a special type of organization that is legally recognizable and devoted to production"(p298).

Similar to Smith (1976) and Marshall (1919), Hodgson too, sees firms as "integrated and durable organization involving two or more people" acting overtly or implicitly as a `legal person' , capable of owning assets. For these authors, firms are organized with the intention of producing goods or services, and with the ability to trade or charter these goods or services to customers. As a `legal person,' the firm could hold legal accountabilities and responsibilities in its own entitlements. These include the right of legal entitlement to the goods as property up to the point that they are traded with the customer, and the legal right to acquire contracted disbursement for the supplied services.

Still on clarifying what firms are, Putterman and Kroszner (1996) offer three conceptions of: "the firm as saleable commodity, the firm as production coalition and the firm as polity or association". They argued that `the place of the concept of the ownership of the firm is poorly developed with many writers either ignoring the concept entirely or arguing that it is of no importance. However, according to Putterman and Kroszner (1996) "the concept of ownership of firms is crucial to an understanding of internal governance issues" (p. 243). He observed that while most economists ignore the concept of the ownership of the firm they implicitly assume that firms must be ownable and saleable, especially if they are to be operated efficiently. He wrote

> The firm in contract law and the firm that is traded in the marketplace is not the team as such but rather an entity that enters into contractual relations with team members, in the role of employer (p. 245)

Accordingly, Putterman and Kroszner views the firm as a commodity and an organization, even if it is treated in law as a singular `legal person'. Hodgson (2001) characterizes an organization as a particular form of institution involving:
(1) measures to determine its boundaries and to decide its members from its non-members,
(2) a rule of sovereignty about who is in command
(3) a series of command directives describing contractual obligations within the organization.
These, for Hodgsen are main provisions of organizational unity and morality that may exist independently of the law.
Hodgson (1993) further posits four attributes for institutional economics perspective on viewing the firms. Firstly that individuals and institutions are alternative analytical units. Second, the conduct and characteristics of individuals cannot be deduced from institutions, and the conduct and characteristics of institutions cannot be inferred from the characteristics of individuals. For Hodgson, institutions are non-reductive and non-deterministic. Third, as institutions evolve individuals change and adapt their tendencies and intentions. Fourthly, institutional economics is concerned with *cumulative causation* as opposed to the notion of

equilibrium in neoclassical economics. There are “feedback and learning loops” between institutions and individuals, and institutions gradually develop routines, procedures and practices and things do take time to settle. When change occurs, as in a merger, there will be a lag in the adoption and implementation of new processes.

Finally an institutionalist perspective (Hodgson, 1993) is not a maximization perspective. The firm and the individuals within the firm are not assumed to be maximizing. Individuals (and institutions) are fallible. Learning and individual actions may have unintended consequences for other individuals within the firm, for the firm itself, or for the individual who initiated the change. An action set in motion will have effect(s), but the effect(s) will vary according to agency of the individuals involved and the institutions evoked.

M&As in institutional economics

From the institutional economics perspective, firms are a heterogeneous assortment of formal and informal institutions. As a consequence of merging two such entities, a new set of institutional relationships will need to be established. It is worth noting that institutional economics does not align with

> the conventional view of organizations ‘as, appropriately structured, and emotion free life rationally ordered spaces, where the right decisions are made for the right reasons by the right people, in a reliable and predictable manner (Vince, 2006, p.252)

M&A activities from institutional economics perspective are thus not simply a case of merging one unified entity with another. Many tangible and intangible attributes of the firms are regarded as factors which may or may not be immediately identifiable or obviously interrelated. M&As impact other aspects of the firm such as productivity, innovations that influence the overall performance of the merged firm in unquantifiable ways. Hodgson (2001) acknowledges that, in institutional economics the outcome of interactions between people are not deterministic but rather emergent, transformed by emotions of people involved in the re-organizational processes. That acknowledgement however seems to be in relation to underlying social behaviour patterns such as membership of the unions and other marginal social groups. In spite of such recognitions, institutional economics with its emphasis that a firm is an entity apart from markets and stock exchange (Hodgson, ibid), ultimately views ‘the firm [as] an organization that manages the resources in its possession, essentially by administrative control’(p56).

Some writers (Putterman and Kroszner, 1996), suggest that the boundaries between the firm and the market are being eroded in modern capitalism alleging that such developments undermine the idea of the firm as a non-market entity. Others (Zucker, 1991; Helper et al., 2000) seem to claim that ownership-based and legal definitions of the boundaries of firms are increasingly irrelevant for understanding the organization of economic activities. Accordingly the approach of institutional economics may be considered as grounded in systematic analysis of the background of each individual firm using technology, finance, ideology, the role of labour, unions, powerful individuals, groups, and legislative frameworks. Roe (2002) on the other hand, recommends treating every merger as a separate case.

It is appropriate to recap the discussions far. The neoclassical economics offers a general explanation for mergers based on clear logical concepts and attributes. In such firms, accordingly, exact judgments are made for the right motivations by the right people, at all times in a reliable and consistent behaviour. All events are as such in line with the inevitable equilibrium as the outcome of market forces. Any deviations are blamed on the separation of ownership of the firm and individuals into two separate analytical units. In contrast, institutional economics considers the firm as a combination of interests, and the '*cumulative causation'* of interaction between the firm members will determine the firm's fate (Khalil 1997). Collins (2003) opines that "what institutional economics is better at explaining, is being able to analyse and offer explanations on consequences of mergers" (p994), acknowledging the importance of people and their motives and intentions on such activities. These motivations and intentions though seem to suggest more selfish or 'empire building' (Lubatkin, 1983) than what is best for the firms. Others such as Mueller (1970) similarly observed that

> there seems little doubt that the motives behind merger activity are not simply those that lie behind the more typical investment decisions, but are overlaid to a considerable extent by management attitudes and certain rationale that does not accord with our assumed over-riding management objective of shareholder wealth maximisation. (p. 189)

Newbold (1970) in his investigations reported that the explanations offered by corporate managers for undertaking mergers did not unambiguously embrace maximisation of shareholder wealth, believing that "the reasons given by managers for merger and acquisition activity appear to be lacking in precision" (p. 197).

Intuitional economics draws attention to both the formal and informal institutions. In each company both formal and informal power and hierarchical structure will emerge that impact the cultures, responsibilities and accountabilities. Kotter (1979), following conducting corporate management interviews explains that ‘although no executive would admit it, at least publicly, they all spent considerable time in activities that were at least partially aimed at acquiring or attaining power for themselves’ (p. 4).
and that

> managers were willing to admit privately that power dynamics were an important part of their work and that seemingly political behaviors are usually considered a way of life at the top levels of the organization. (p385)

Winter (1993) similarly refers to such organizational attributes as “unconventional assets” and Edith Penrose, aware of their negative connotations, referred to them as ”inherited resources” (Pitelis and Wahl, April 1990). Institutional economics acknowledges the need for successful meshing of these unconventional assets and their impact on how mergers turn out, but maintains a legal/contractual perspective. Hodgson contends that (2001) that although the official duties and entitlements of the employees and employers may implicitly be protected by legislation or unions, the informal footing of establishments also changes even though they are not readily identifiable. Inevitably, mergers lead to either some redundancies or new employment contracts for the staff of the acquired/acquiring firms to accommodate the new organizational structure but how these adjustments translate into improving or otherwise degrading productivity and innovations will only emerge in time.

Conclusion of M&As from Institutional Economics:

In conclusion it could be said that the scope of the coverage of M&As in institutional economics are primarily two area. First is the need to pay attention to the institutional mechanisms, relationships, knowledge and skills within the firm. Secondly acknowledgement that, interactions between individuals and institutions are all processes and their full impact is unpredictable and must be explored rather than taken as given.

A1.1.4 New Institutional Economics view of M&As

Before reviewing M&As from new institutional economics perspective, it would be helpful to briefly clarify key differentiating views in this field.

New institutional economics (NIE) is a recent strand of the economic perspective, with more focus for analysis on the social and legal norms and rules (Williamson 2000) such as the role of institutional frameworks and transaction costs for economic performance as well as efficiency and distribution issues.

In 1997 the International Society for New Institutional Economics was established. Concepts of particular focus include decisive perceptions, credible commitments, social norms, ideological values, gained control, human assets, social capital, asymmetric information, strategic behavior, bounded rationality and opportunism.

Demarcation between institutions and organizations (North, 2000) is considered important with institutions consisting of the formal legal rules and the informal social norms that influence individual behavior and structure social interactions. Organizations, in contrast, being groups of people and the governance arrangements they create to coordinate their team action against other teams.

Collins (2003) citing North (2000) that "institutions are the structure that human beings impose on human interaction"(p.37), contends that NIE builds upon the ideas of transaction costs and bounded rationality to posit that agents produce a range of formal and informal institutions to reduce transaction costs. There are according to Collins (ibid) two drawbacks with this argument. Firstly that there is no room for chaos in institutions – institutions are exclusively and deliberately created and run by the agents for promoting maximization and risk reductions. Secondly unintended institutions or unintended consequences of agents' actions are simply overlooked. In Collins (2003) own words " causality runs in one direction – the agents create institutions, but the institution does not impact on the agent other than as intended" (p.990)

On the same topic, Williamson (1985) stated that although the scope of our knowledge of institutions needs much more exploration, by and large institutions, whether by formal laws or socially embedded norms of behavior, constrain human choice (North, 1990) and directly affect the costs of exchange. Accordingly transactions are processes requiring information which may not be complete or unbiased and efforts to obtain, process, and enforce transactions induce costs and judgments that interfere with the process of obtaining an optimal equilibrium (Coase, 2006). Agents therefore, may not always be entirely coherent, do not have unlimited time, and unlimited information processing capabilities to compare all options and there is always the possibility that agents will not be universally rational (Collins, 2003). Nonetheless NIE recognizes both formal and informal interactions as functional because they are the means by which agents, structure political, economical and social interaction (North, 1990) and are considered as the fundamental principles of our basic understanding of the economic conduct of agents. Institutions that do not reduce transaction costs would gradually perish (Williamson, 1970; 1985).

A path for a firm's growth according to this perspective is by adapting more successfully to their environment compared to others. Trough such adoptions, firms maximize their expected returns, even if they are unaware that they are the better fit and will grow. Other firms in this competitive process will, over time lose their market share and eventually fold (Friedman, 1953). Conversely, if institutions exist then at that period of their existence, they must have been more effective in reducing transaction costs; and in this context firms or agents need not necessarily know exactly how they have been more efficient to their rivals.

From NIE perspective, 'inherited assets' (coined by Edith Penrose in 1959), such as culture and power relationships are also probably the function of transaction cost reduction and therefore may not be of great significant. Such an interchangeable use of firms and individuals in NIE, methodologically shares the standard neoclassical view that agents and firms are not really different – or possibly inferring that the optimizing firms are the sum of the individual agents within them. Existence of an optimal equilibrium seems to be taken for granted in that agents take actions and the firms adopt them which contribute to reducing transaction costs. Then the other firms will adopt the practice or become less efficient in competition and sooner or later will go out of business. With such linear causality perspective and reasoning there seems to be little scope for mistakes and misjudgments. Before going further, let's reflect on a few examples in the next section before resuming our exploration.

Reflections on agents' behavior from NIE perspective

Let's briefly reflect on a few real world examples of the fate of some top firms with regards to suggestions of agents / firms behaviors, maximization of returns, market shares increase, reduction of costs, leading to profitability, and a higher likelihood of success.

In 1912, among the top global firms were US Steel [the largest firm in the world], J&P Coats Textiles, Pullman railcars, Royal Dutch Shell Oil, Anaconda copper, General Electric, Singer machinery, American Brands cigarettes and De Beers diamonds (Hannah L, 1998).

In 2006 (when writing this section) the top firms by market capitalization are General Electric, Royal Dutch Shell Oil, Exxon Oil, Coca-Cola, Intel Chips, Merck pharmaceuticals, Toyota Motor, Procter & Gamble and British Petroleum Oil. And USX which is the new name for US Steel when it acquired an oil company twice its own size just to survive is now not even in the top 50.

General Electric, Exxon and Shell, are the only three companies to have remained in the top 20 in the past century. But upon reflection, for every long term success story, such as GE there is a counter case such as Austin Morris. Of the other leaders of 1912, many have completely disappeared and the majority have shrunk. A few of the top companies of 1912 have been acquired the remaining two thirds are substantially smaller now than they were then. Kay (1998) contends that regardless of their conducts, whilst it is by and large true that big firms rarely go bust

> "their normal fate is ultimately to disappear from the scene when, after a period of attrition, they are acquired by more vibrant successors"(p.2).

In the recent few decades too, the rise and fall of global giants (e.g. AT&T, IBM or Daimler Benz) has even become frequent.

Returning to the review M&A from NIE perspective

As Boerner and Macher (2001) acknowledge there are flaws in simplistic cause and effect approaches, and as such they call for more research in complementary social sciences in this field incorporating exploring and integrating interdisciplinary perspectives. Similarly, Williamson (1985) adds that whilst the achievements of NIE are considerable, there remains a vast amount of unfinished work to refine, extend and explore the NIE theory. In the context of M&As and the growth theory, viewing scale as some sort of an insurance against decline is one criticisms of NIE approach. Another flaw could be the notion of 'optimal equilibrium' or 'most efficient' be it in agents taking decisions or a particular practice. In making a decision to acquire another firms, Collins (2003) questions whether it's reasonable to believe that 'firms need only to look at both sets of books to know which is the best way and immediately set off in that direction'(p991).

It might be more reasonable to therefore ask, how could acquirers with piece meal knowledge (without access to the detailed books prior to the acquisition) possibly make the optimal decisions every time without fail? In this context can acquisition of a firm from such a perspective, since it is an action taken by the firm or its proprietors, then have been the most efficient course of action? And since pre-merger appraisals have primarily been based on partial information available before the merger, we could concede that it is also possible that the decision to proceed with the merger may not always be an optimal one. This was echoed much earlier by Friedman (1953) who contends that since firms cannot always identify the best alternatives, it is also feasible that there are times when the firm may choose the wrong economic alternative detrimental to it success. More recently, Hodgson (1999) confirms this prospect by stating that under NIE context the most efficient firms may not necessarily be the ones commanding highest market share.

Collins (2003) stating reasoning of NIE that mergers are the means of ensuring that firms move towards an optimal efficiency, notes that if we were to believe that firms move instantly to embrace the new organizational structure in such an approach we've overlooked the possibility of any power struggle or personality clashes or partial integrity or that these are by and large insignificant.

The collapse of Enron in 2003 that shook many in the business world over, might still be fresh in most people's mind that corporate accounts are interpretations, not facts. If stock markets are on an upward trend and optimism is rife in the financial affairs, today's losses would be interpreted as an investment in the future and firms may have more of a propensity to merge if the mind sets of proprietors share similar optimism. As Collins (2003) echoes, it is not the most efficient practice that will survive but the most efficient ***arguments*** at the time of the merger. Kay (1984) depicts that the natural selection mechanism in NIE does not reflect Darwin's since a mere departure from the optimal behavior does not necessarily translate into being a failure. This premise is similar to the neoclassical economics optimality paradigm which may be unachievable in principle or not pursued in practice.

The other flaw is the to do with the homogeneity of firms, but Collins (2003) notes that Darwin also emphasized the role of heterogeneity and diversification as basic survival mechanism and divergence quite often as opposed to convergence, plays a significant role in the process of natural selection. NIE acknowledges that firms are not the result of deterministic and preconceived blueprints and whilst it offers accounts for manifestation of mergers it appears to fall short of explanations on how mergers in practice turnout. Whilst new NIE introduces the notion of transaction costs and institutions into the neoclassical economic paradigm it does not raise any objections to the maximization hypothesis or methodological individualism of neoclassical economics that all institutions can be disaggregated to the individual level.

According to North (1990) NIE perspective not only adopts the established neoclassical pricing principle, the envisaged institution are limited to means to coping with transactional complexity and reduction of transaction costs. Such a perspective views firms as a collection of traditional assets. Capabilities, originality or reputation especially if intangible which in the modern economy make up a substantial portion of company assets, seemed overlooked. Merging such firms takes time and is not a linear process. In merger of two firms the NIE does acknowledge the need for time for things to settle but this is to allow agents to learn the new information and adopt the better practices but overlooks the whole nature of being human which include emotional reactions such as spitefulness, premeditated procrastination. So too are the collective disruptive behaviors that the reorganization inevitably induces into established routines and their unpredictable outcomes. Collins (2003) peels away at the NIE perspective by stating that if new institutions take the place of original institutions, then it is simply because the new ones are better and it is not accepted that the new institutions may be less efficient, and in the grand scheme of things, loss of knowledge associated with the old institutions appears unimportant. Similarly, Lawson (1997) points to implied reproducibility and timelessness of such a stance that given the same conditions, the outcome will always be the same. Agents may not always behave in the same way without allowing for the potential that in the open ended social world it is impossible to predict with certainty the outcome of any action deterministically and as Stacey (1996) contends it is more reasonable to consider

> that causal links between specific actions and specific organizational outcomes over the long term disappear in the complexity of the interaction between people in an organization, and between them and people in other organizations that constitute the environment (p187).

Conclusion of NIE perspective

Since knowledge of agents exists in implicit and explicit forms, it is always a possibility that outcome of mergers may not be predictable because the social world in which the agents act, is open ended. Each time individuals could have done things otherwise. In exploring interactions between people (Stacey, 2000) deterministic approaches are risky. Company managers and owners frequently have to review, modify, reconfigure, and reconstruct schemes, each time under necessarily new circumstances and quite possibly even modified mind sets or motives.

A1.2 M&As from Strategic Perspective

I hear the word strategy more frequently in many of my ordinary conversations nowadays from people in all walks of life than I used to a decade ago. Martin's much younger brother (a colleague) worked at a bank in the 'city' and earned 3 times as much as both of us put together. He used to tell us that he was in 'strategy' talked a lot about advising businesses on M&As. Similarly, Julian (my ex-brother in law) who worked for Deutsche Bank also on a similar salary had the word *strategy* in his job title. Probably like me others might associate strategy with notions such as important, big, or high value. The other night watching the Bloomberg's financial markets news in my hotel room the presenter interviewing an analyst said " .. so do you understand company xxx's strategy?". In the context of the interview I interpreted it as meaning if their acquisition of yyy made (financial) sense?

Sirower (1998) on "strategic perspective" describes M&As as a form of discretionary business investment undertaken in the hopes of realization of major benefits. These could be economies of scale be it in research and/or production, gaining faster access to new markets or acquisition of new technologies, tapping into desired sources of know-how not found or located inside the boundaries of the firm. Vos and Kelleher (2001) also view monopoly advantages behind some strategic acquisitions.

Kay (1998) on the other hand contends that the 'strategic' issues facing a company primarily are two questions. Firstly ***corporate*** strategy which is about answering the question "what markets are we (or should we) be in?" and ***business*** strategy, or competitive strategy, which is more concerned with how the company is placed in these markets relative to its competitors. De Wit and Meyer (2004) mostly view the subject of corporate strategy as the matching of the capabilities within a firm to the external environment that it operates in and how best to identify context and processes of what these capabilities can be.

Porter (1987) posits that firms can only add value if they can do things in their markets that others cannot really duplicate. The term used to describe these unique things that firms can do is commonly referred to as distinctive capabilities which could be based on either originality, or reputation about something tangible or otherwise identifying be it with customers, suppliers or in the labor market. They could even be based on the structure of a firm's relationships as in some Japanese car manufacturers. De Wit and Meyer (2003) review possible ways to analyze business unit strategy on how firms could be positioned with respect to major competitors and how pricing, marketing, and product innovations may be used as strategic differentiators.

Fundamentally (Sirower and O'byrne, 1998), an acquisition is purchase of assets, technologies or customer bases. However, in acquisitions, the acquirers normally pay a premium above the market value to acquire their target firms. This premium, commonly known as *'synergy'* is paid because for some reason or another, the managers believe that the acquisition would result in cash flows beyond what the two companies are expected to accomplish independently or colloquially put 2 + 2 = 5. In his merger contingency theory framework Lubatkin (1987) uses the phrase 'strategic fit' as synergies in operations, market position, and long-term strategies (p39-53). From such perspectives therefore it is reasonable to believe that managers would consider an acquisition strategy only when in their judgments, it appears as a better investment than other strategic alternatives. Rieck (2002) suggests that " .. as the degree of strategic fit varies across different combinations of potential acquirers and targets, so does the amount of value that can be generated from an acquisition" (p3-5).

But M&As for two fundamental reasons (Sirower and O'byrne, 1998) are very unique investments. Firstly to recoup the premium over the market value of the target paid, not only must they meet the expected performance targets of the markets for the acquired firm, they must also exceed it to justify the premium. Secondly although M&As are by and large investment projects, all the payment is paid upfront and there is no possibility to review, quit or reverse "which might be possible under other investments or R&D projects" (p449-458), should the circumstances change. For example reversing the process of integration of sales forces, IT, control systems, distribution systems and accounting departments once gets on the way, will be most disruptive and expensive.

The objective of the management (De Wit and Meyer, 2003) is "to employ corporate resources at their highest value uses" (p452). An acquisition, from efficient market hypothesis (Goldberg and Godwin, 2001; Rieck, 2002) is a reward that will go to

> the firm that can achieve unique synergies through the M&A process. Synergies are brought about by the unique combined capabilities of acquirer and target that are not obtainable by any other acquirer (p3).

However, when resources are committed to acquisitions, the result is not simply failure or not failure. Instead there is a whole range of performance outcomes. Before going further, it is therefore appropriate to introduce some focus to give such outcomes proper context. That focus is telecom industry M&As as presented below.

A1.1 Globalization and evolution in telecom industry

Since my research focus is in the context of my own career experience, we'll broadly consider, the scope and focus of this review i.e. that of telecom industry including operators, the test, measurement and monitoring equipment suppliers. I will for simplicity refer to these as '***telecom industry***' firms in this respect. It may also be appropriate at this stage to describe some of the M&A factors that are specially though not exclusively, relevant to the telecom industry (Shusterman et al., 2000; Wasserstein, 2001). Such factors include trade levels between the countries concerned, geographical proximity, firm size and service diversification.

Probably the most notable features of telecom M&As is the predominantly cross-border nature of these activities which will be covered in more depth in the following sections. With regards to the impact of trade level between two countries as a parameter in M&As of telecom industry, it is also worth clarifying the term globalization and the increasing relevance to telecom services to the emerging nature of 21st century trade between countries. Wolf (2004) in his book "Why Globalization Works" suggests the term Globalization describes the relaxation of regulatory barriers around the world by governments, to trade and factors of production. Telecom services are therefore emerging as an important element in support infrastructure of global trade. A substantial part of international telecommunication traffic comes from business telecommunications between companies engaged in international trade that relies on the demand for export or import of products. For telecom companies this means that countries with higher trade volumes use the international voice dialing, document exchange and e-mails more than countries with low trade levels which in turn translate into higher traffic volumes between them and their counterpart on the respective inter-country route. When telecom companies at each end of the inter-country route are independent, not only the charging schemes cannot be coordinated, they are in a way competitors and partners at the same time.

Somewhat similar to postal services in processing international mail, telecom companies when interconnecting to each other's networks turn over outgoing calls, e-mails and data and are recipient of incoming calls and traffic. And there is no revenue in receiving and handling inbound traffic. As far as demand is concerned therefore, though interdependent, telecom counterparts compete through tariffs to have their subscribers generate traffic, rather than be recipient of incoming traffic. M&As involving counterpart telecom companies in different countries could potentially provide the opportunity to introduce time tables and other incentive schemes to manage and operate more efficiently the traffic between these countries and hence improve profitability. As such the higher the trade volume and traffic between counterpart countries, the higher could be the potential for achieving better profitability.

From a strategic perspective, a diversification example could be when traditional firms e.g. British Telecom, France Telecom, Deutsche Telecom, engaging in e-commerce activities or offering information and content rather than just connecting parties. So engaging in such vertically related market segments might be considered as giving them the ability to differentiate their services from those of their competitors. Possibly in the belief that without such differentiation, telecom carriers might not able to obtain additional market power and consequently might not in the long run survive the high fixed cost normally associated with running legacy networks. These are example of vertical diversifications.

Horizontal diversification on the other hand, may include entry into markets that constitute close substitutes, or that may in future turn into close substitutes such as buying a cable TV networks (CATV) that can also be used for broadband internet access, or a move into the market for wireless broadband access. The reasoning behind such thinking could be that in the long term benefits of this strategy would be to improve market share, or defend erosion of its market influence should telecom technologies and customer preferences emerge in favour of this segment. However in this regard, so far the convergence of CATV and telecom services is more distinguishable only in US compared to Europe and other parts of the world. Service diversification could act as a lever to enhance market share, although this may well depends on the mix of domestic versus international customer bases and the spectrum of their demands and expectations. The trend in globalization of telecom services such as mobile web browsing, mobile secure connection for mobile banking and entertainment as examples could give horizontal and vertical service diversification the edge to improve the acquirer's strategic position for obtaining new technologies, availability of in house expertise and experience that could well manifest itself in increase in stock value of a company and hence the overall company's valuation by the stock market.

The next section would provide more context for telecom M&As as strategic choice compared to other industries.

A1.2 M&As in telecom industry as strategy choice

Seth et al. (2000), Buckley and Ghauri (2002), Shimizu et al. (2004) all observe that telecom M&As have steadily grown over the last two decades as an established global phenomenon and a popular strategy choice for most firms as an organization's growth path. Compared to traditional industries such as steel, mining or transport, has, the younger telecom industry over the last two decades, been through more rapid changes due to *emerging* and *new* technologies. The emergence and influence of new regulatory bodies also have contributed to a faster changing industry structure and subsequently higher growth rates. One of the notable trends in the telecom industry over this period is the globalization of telecom services and service providers. This is attributed (Kay, 2000; Wasserstein, 2001; Thompson and Strickland Iii, 2002) to rapid expansion of global trade driving up international trade volumes and associated increase in the demands for communications solutions requiring global presence. The other significant factor in telecom industry is that of liberalization and privatization of national carriers across the world.

Thompson and Strickland (2002) consider that only international telecom firms can effectively serve the increasing global trade and global customers. This in turn increases their market share and competitiveness making them even more efficient through cross border M&As enabling them to operate and own international networks.

On the wider scale Jensen and Ruback (1983) reviewing M&As over past three decades with a view to the efficiency and wealth maximization as the principal goals of the firms, found no correlating proof . Others (Weber, 1996; Boateng and Lodorfos, 2006), report that, recent literatures suggest that the surge in M&A activity is a response to globalization and the changing market environment. Such authors conclude that the wave of M&A activities of the past two decades should be attributed to a range of possible factors. For example depending on the prevailing trends at the time, different models or interpretations have emerged to explain the drivers/motives behind M&As. Vos and Kelleher (Vos and Kelleher, 2001) explore power gains by managers as another influencing factor.

A1.3 Waves of M&As and emergence of theories

Lubatkin (1983) observes that M&As follow a wave pattern of relatively high and low periods of activity (See fig A1.1) classifying seven explanations as:

1. *Efficiency theory* where synergies such as operational, financial and management synergies are the most commonly cited motives.

A1. *Monopolization* theory aiming at market control leading to formation of regulatory bodies

3. *Empire Building* theory that in practice managers maximize their own utility rather than that of their shareholders

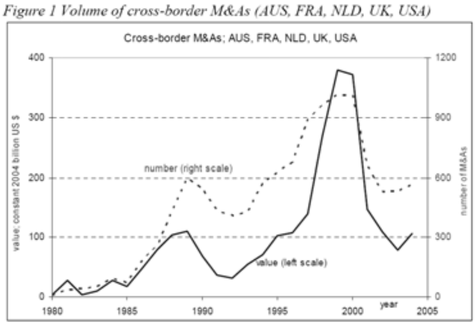
4. *Valuation* theory claiming that managers of acquiring firms have better information than published reports prepared for stock market consumption

5. *Process* theory that mangers inevitably base decisions on limited information

6. *Raider* theory that in acquisitions wealth is transferred from the owners of the target companies to acquirers

7. *Disturbance* theory sees a correlation between merger waves and periods of economic upheaval

Figure 1 Volume of cross-border M&As (AUS, FRA, NLD, UK, USA)



Source: Brakman, Garretsen, and van Marrewijk (2005); value is deflated using USA GDP deflator.

To me the factors that resonate with my experience in the raise in M&A activities are (a) privatization, (b) deregulation, (c) technological innovations and (d) globalizations. I will therefore briefly explain these factors.

- *Privatization*, increases the number of competing firms in the market where these would have previously been state owned or government departments. Privatization of GPO (General Post Office) in UK coincided with the time of my arrival time in UK in Jan 1979 as a foreign student when in May 1979 Mrs. Thatcher became the Prime Minister. Her declared mandate was to reverse what many considered as the UK's economic decline at the time, by reducing the role of the state in the running of the economy. Even as a new comer to UK, I recall how Mrs. Thatcher's economic philosophy was reported as reducing state intervention, encouraging entrepreneurialism and promotion of free markets concepts. During her reign, Government started the privatization initiative with the sale of British Telecom, with participation of individuals as opposed to financial institutions as the emphasis. BT's privatization in 1982 followed the end of its monopoly in UK and the award of a second license to Mercury Communications.

- *Deregulation* also played a part in growth of businesses and hence the growing significance of corporate financing (see next section) in M&A activities in relaxation of rules and legislation in freeing how firms could compete with one another in enlarged buoyant markets. This was the process by which government relaxed, phased out, or simplified formalized controls on businesses to compete more effectively. The goal were raising level of competitiveness, productivity, efficiency and to influence lowering of prices. The emergence of a set of Telecom and Airline Deregulation Acts of 1980s and 1990s in UK and their gradual spread to continental Europe are probably earlier significant events I recall.
Another example of deregulation adding M&A considerations was the 1984 budget in which the British government announced the abolition of the 100 per cent First Year Allowances for investments in new capacity. This could be interpreted by firms that acquisitions would be a more tax efficient way to expand capacity. A year earlier in 1983, in what many considered a landmark ruling, the UK government reversed the Monopolies and Mergers Commissions recommendation regarding the takeover of Anderson Strathclyde by Standard Chartered stating that moving forward the mergers criteria would primarily be on competitive grounds as opposed to public interest which had previously been the case.

- *Technological* advances made the more geographically dispersed markets available to firms by reducing impeding affects of distance as a barrier. The efficiencies provided for business through telecommunications to speed up pre and post sales transactions also influenced the rise in banking mergers, IT and internet to make the flow of information even faster.

- *Innovations* in most scientific fields such as optical fibers, electronics, microwave, wireless, media, entertainment and medicine resulted in many business models that firms adopt requiring rapid revisions. This also linked to raising the investment expenditures required to research and market new products, meaning that the size of firms confers an advantage in most industries including telecommunications, banking, pharmaceuticals and airline business.

Each of the above explanations illuminates some elements about these business activities. All of them contribute something to our understandings about these issues, while even their aggregate would not represent a complete story. The next section traces the broader emergence of telecom industry and its M&A activities to provide a better context for our review and the proceeding appendixes.

M&As of Telecom industry as strategic choice

It is helpful to briefly review the emergence of what now has been established as ‘telecom industry’ in order to put the M&A activities of this segment from strategy perspective into a better focus and later analysis.

Telecom industry in US

As with all things in life, true origins of most things are not exclusively one thing or another. However, the invention of telephone attributed to Graham Bell by US 174,465 patent on 7th Mar 1876, might be a good start. But it’s worth mentioning that some also give credit to others such as Antonio Meucci, Johann Philipp Reis, and Elisha Gray who also filed patents around the same time.

Western Union in US incorporated the new telephony invention to its telegraph network between New York and San Francisco in the 1890s and went on to introduce new telephone devices. The concept soon spread to other parts of the world. In 1926 the British Post Office and Bell Labs carried out the first experimental two-way call between UK and US. The first commercial telephone call was made on 7 Jan 1927 between London and New York.

Over this period the industry polarized into three groups. These were (a) the network operators who emerged as national monopolies, (b) network builders and (c) equipment manufacturers. Following an agreement in March 1877 between Mr. Bell and his bankers, National Bell Telephone Company was created. Later in 1881 he acquired Western Electric Company and renamed it American Bell Telephone Company. In 1885 American Bell began a 7 year project to build a long-distance network between New York and Chicago. For this project a new subsidiary was set up that eventually was spun off as a separate company called American Telephone and Telegraph or AT&T. Although Bell's patent on the telephone expired in 1894, the substantial customer base National Bell had accumulated and the services it was providing, had generated the inertia for its continued growth that by 1899 it took over American Bell. AT&T continued its growth and the building of the network reaching San Francisco by 1915. By 1918 telephony had become so established that US federal government declared telecom services as a national security concern and nationalized the industry. In the first year following nationalization AT&T was able to make huge profits but the federal government intervened by regulating competition between smaller local companies and prices they could charge. Hindsight is a wise taskmaster. In years that followed federal government banned smaller potential competitors from installing other cables to subscriber's premises citing that such actions is harmful competition with the federal government from national security considerations. This decision in later years turned out to have sown seeds that turned AT&T into a Long Distance Lines monopoly as well as exclusive control of 22 local telephone companies known as Bell Operating Companies.

AT&T continued to gain more control of the US telephone system by leasing telephone handsets and other telecom equipment made by its subsidiary Western Electric. It also had the monopoly line rentals and implemented policies against buying and using phones by others reaching a near-total monopoly in the Long Distance network. While other independent telephone companies sprung up their scope for competition remained financially and legally limited until in 1956 the Hush-a-Phone v. FCC ruling gave customers the right to connect third-party devices such as answering machine to the network.

With the advent of microwave and other technological advances such as optical fibers in 1960-70s competitors such as Microwave Communications Inc (MCI) were allowed to offer limited communication services. However, over the following fifteen years AT&T's monopoly remained almost intact still selling the aging Western Electric phone designs marketed through AT&T, and Western Electric eventually closed all of its U.S. phone manufacturing plants.

In 1982 under a Federal Communications Commission ruling, AT&T sold off its local exchange service operating companies creating seven Regional Bell Operating companies that became known as "Baby Bells" who had to compete with other manufacturers. In 1991 AT&T invested in acquisition of the computer manufacturer NCR (National Cash Register) and UNIX networked server markets. Then in 1994, AT&T took over the mobile phone carrier, McCaw Communications, starting a cellular division. In 1995, AT&T acquired Alaska Communications System (Alascom) which was AT&T's first non-US operation. However with the 1996 Telecommunications Act of 1996 opening the US market competition, many reorganizations and technological advances reduced AT&T's profits and market share that it sold off NCR and Bell Laboratories was spun off creating Lucent Technologies.

In 1997, AT&T acquired Media One and TCI and became the largest provider of cable television (CATV) in the US. A year later AT&T and British Telecom announced a $1bn joint venture called Concert to offer global voice over IP (VoIP) services. But this was closed down in 1999 and instead set off acquiring the Italian computer firm, Olivetti & Oracle Research Lab of US and IBM's Global Network business. These too were closed down in 200A1. In 2001 AT&T spun off Wireless Corp. and a year later spun off its Liberty Media division and Broadband which comprised most of its cable TV assets. AT&T Broadband was then sold off to Comcast in 200A1. And in 2004 AT&T Wireless and Cingular Wireless were merged.

In 2005, SBC Communications acquired what had remained from its former parent AT&T for $16 billion and dropped the "SBC" brand and listed for trading as AT&T effectively absorbing the parent company founded in 1885.

Telecom industry in UK

In 1846 the British government amalgamated five licensed telegraph companies and formed the Postal Telegraphs Department that later became known GPO (General Post Office). Following the invention of telephone in 1876 the GPO began to use the telegraph network to provide telephony services and in 1882 licenses were introduced in different municipalities for private businesses to use, expand and operate telephone services. Over the next fourteen years trunk and distribution networks emerged and later unified (except Guernsey, Kingston Upon Hull and Portsmouth). Over the next half a century GPO remained as a government department until in 1969 Post Office Telecommunications was formed as a division of the new nationalized Post Office.

In Oct 1981, during Mrs. Thatcher’s government, GPO was transformed into a state-owned corporation and renamed British Telecom (BT). Later its monopoly status ended when a second license was awarded to a subsidiary of Cable and Wireless that become known as Mercury Communications. BT was sold off by the British government- first half in 1984, the rest in 1991 and 1993 and the company incorporated as British Telecommunications plc.

Emergence of mobile phone market

Various proposals of engineers at AT&T in 1947, Ericsson of Sweden in 1956 and ARP of Finland in 1971 were to widen coverage area of minicabs and police radio communications devices. Interconnecting radio masts to the telephone networks, are amongst proposals that gave rise to emergence of a market segment of telecom industry that later become known as the mobile phone networks. Originally a US manufacturer of car radios in 1930s, Motorola introduced the first handset in 1973. Later in 1978 AT&T introduced the first commercial cellular network in Chicago. Building up to 1980s mobile phones gathered popularity as permanently fixed to the car phones. Nordic countries and Saudi Arabia were among the first cell phone network installations in 1981 with automatic roaming involving SRA of Sweden.

Convergence of telecom industry segments in UK

Following its 1985 privatization, BT entered the emerging mobile services by forming a 60-40 joint venture with Securicor. Same year, Racal Telecom, a division of Racal Electronics won a tender to build and run the second UK cellular telephone network and began commercial activities under the name Vodafone made up from *Voice*, *data*, *fone*, that it was to offer over the mobile phones. Racal Electronics was demerged from Racal Electronics in 1991 operating as the Vodafone Group. It bought a 30% stake in Mannesmann Mobilfunk of Germany in 199A1. Then in 1999 Vodafone acquired AirTouch of U.S. and entered a $70bn joint venture with Bell Atlantic called Verizon Wireless.

Vodafone expanded its global reach in 2000 in a hostile takeover acquiring the German conglomerate Mannesmann gaining full control over the mobile network operator Mannesmann Mobilfunk, operating the "D2" German network. Soon after Vodafone began breaking up the old conglomerate and all the manufacturing related operations were sold off. In 2001 Vodafone acquired Eircell of Ireland, from the incumbent Irish telecom operator, *Eircom*, rebranding it as Vodafone Ireland and went on to acquire J-Phone which was Japan's third-largest mobile operator that had introduced first camera phones. Vodafone continued its global expansion and has, over its 25 year history become world’s largest mobile telecom company with own networks in 27 countries and services in 59. In its 2006 annual report Vodafone reported a turnover of £48bn and 170m global customers. It also made the biggest loss in British corporate history of £22bn a third of which were related to Mannesmann acquisition, the other third related to its Japanese discontinued operations (covered in later sections). However, by market capitalization, Vodafone is (Feb 2008) ranked among top twenty companies in the world.

BT’s overseas expansion began in 1990s, when it entered the Irish market by forming a joint venture with the Electricity Supply Board (the state owned electricity provider). Following this venture, that it mainly targeted corporate customers, in 1999 BT acquired 100% of this venture in 1999. In 2000, BT increased its presence in Ireland by three further acquisitions of *Ireland On Line*, *Esat Telecom* and the mobile operator *Digifone* .Following heavy debts as a result of numerous late 1990s acquisitions, paying for third generation (3G) licenses, and what many saw as over expansions during the dot.com era, in order to improve its financial position, BT sold off its Yellow Pages directory business, demerged its wireless subsidiary BT Cellnet which in 2001became known as **O².**

A comparatively calm period of M&A activities ensued over the next 4 years until 2005, when BT restarted by acquiring El Segundo of California, and Radianz which was a Reuters-Equanat joint venture offering services to the financial markets. Then in 2006 BT acquired Dabs.com which was an online electrical retailer.

Tracing my career in telecom industry

Analysis and discussions on reflections on narratives of my experiences of M&As in the telecom industry, would make more sense by a quick overview of my career in this industry.

It started when in 1983 I joined a subsidiary of ITT in Newport. Soon after its 1984 privatization BT bought a cluster of equipment makers including my employer's Newport, Cwnbran and Cwmcarn factories in South Wales as part of their vertical acquisitions plan. As a supplier to BT through our contacts I learnt how short of staff they were at these factories. My ex-wife joined the Cwmbran site. Her narratives of the difficulties BT, as new owners experienced, would complement my own, in appendix 7, in the context of knowledge sharing difficulties as an overlooked aspect in M&A.

After a few difficult years running these manufacturing firms, BT sold these factories to Nortel of Canada. By 1991 BT had sold most of the hardware businesses they had acquired in mid 1980s. They introduced a new Pied Piper logo signaling a new era of a global, horizontally diversified company buying a stake in McCaw, largest US mobile phone operator, as well as forming joint ventures with AT&T (branded as Concert) and other telecoms service companies.

A year before starting my first job, on January 8, 1982 US government introduced new legislation to break up AT&T (the US monopoly telephone company) into eight regional companies offering them as independently traded companies to shareholders (Wasserstein 2001: P347). This break up stimulated MCI, Sprint and various other relative newcomers who focused on business customers with new products and services the most notable one being the mobile phones that are routed through the legacy backbone network. But the deregulation also freed AT&T to enter related businesses such as computer data processing business and TV signals to pass through telephony cables, while utility companies could also enter telecom business.

Over the same period of 1984-91, my Newport based employer was acquired by 5 international companies each viewing it with a strategic visions to leverage synergies with their own operations. The ITT subsidiary that I joined, was first purchased by STC of UK who added making public switching and submarine repeaters to the business. Then Nortel of Canada acquired it from STC adding transmission systems and interconnectivity divisions and then sold off the CCTV and CATV part of the businesses we'd built up. Pirelli of Italy then bought the business off Nortel selling off the equipment manufacturing divisions in Leeds, Greenwich, and Paignton and expanded the submarine cable division in Southampton. Alcatel of France then acquired the business from Pirelli declaring it as an increase their submarine cable manufacturing capacity. Shadow conversations on the other hand alleged simultaneous elimination of their major European competitor as the motives. Finally in 2000 with huge market downturn, reportedly to cut their losses, Alcatel shut down the entire UK operation completely closing down the factory where my career began.

Germany

Up to1985 two radio telephone systems known as A and B were owned and operated by the West Germany's post office when the first mobile phone network known as C network was introduced. Following the historic reunification with East Germany in 1990, West Germany's state-owned postal monopoly was formed by consolidating all East and West German telephone networks and renamed Deutsche Bundespost Telekom unit which in 1992, introduced first GSM mobile network called DeTeMobil as a new subsidiary. Then in 1995 as part of the privatization programme Deutsche Bundespost was renamed Deutsche Telekom and gradually sold off. By 2005 German government ownership was reduced to 15.7% and many international operators were licensed to offer telecom services in Germany creating such a competitive environment that led to laying off of 30,000 workers by the incumbent operator in 2006. My longstanding colleague, Arthur and I shared many experiences of dealing with Deutsche Telecom over 1997-2006, which form part of my narratives included in later reflections. Through M&A activities, Deutsche Telecom established operations (Feb 2008) in Austria, Bulgaria (Orbitel), Croatia (T-Hrvatski Telekom), Czech Republic, Hungary (Magyar Telekom), Macedonia , Montenegro (T-Crnogorski Telekom), the Netherlands, Poland and US and ranks as third largest telecom multinational with Spain's Telefonica in second position and Vodafone of UK in first.

France

Originally Direction Générale des Télécommunications existed as a state monopoly, and was renamed in 1988 as France Télécom by the Ministry of Posts and Telecommunications and privatized by 1990 losing it monopoly status. Over the course of it independent existence from government control has undertaken acquisitions such as Telecom Argentina, Amena in Spain, CTE El Salvador, Orange in UK, Equant in US, plus Innovacom in Boston, South San Francisco, GlobeCast California. A theme of my experiences involving my colleagues (including Fabrice) in this market form part of my reflections in later sections under *predator turned hunter* theme.

Spain

The telecom services department was first formed in 1924 and stayed under government control until 1997 privatization and liberalization of the telecom market when it was renamed Telefónica. It is the world’s 4th largest telecom company in terms of number of subscribers and 3rd in size, after Vodafone of UK and Verizon of America.

Its international M&A activities include acquisition of O^2 of UK, Republic of Ireland, Germany and Isle of Man. It also set up Telefónica de Argentina, a fixed-line operator in Buenos Aires and southern Argentina, Český Telecom (Czech Telecom) former fixed-line Czech phone operator and Eurotel, one of three mobile phone operators in the Czech Republic, the mobile phone operator Telefónica O^2 Slovakia.

Telefonica also acquired ‘movistar’ mobile phone operator in Mexico, Brazil, Chile, Venezuela. The 1994 acquisitions include Peru, and CRT in Portugal, acquisition of Chile’s CTC (Compañía de Teléfonos de Chile) in 1989, in Ecuador via OTECEL in 2004, Colombia, Telefonica Empresas in Puerto Rico, Netcom in China, Méditel in Morocco, with server storage facilities across US in Miami, Florida, New York, San Diego, Washington, Atlanta, and Houston. A theme of my experiences (involving Maribel - head of Spanish sales at NetTex 2005) in this market form part of my reflections in later sections under power relating themes.

A1.4 Mergers as a dimension of Strategic Models:

The subject of strategy has gone through various attempts for defining it during different periods by different ways of thinking. Michael Porter for examples introduced the concept of Five Forces in company strategy, Henry Mintzberg's views on emergent components of strategy, Peter Drucker's perspective on strategy as theory of business, or the McKinsey Formulation, the Boston Consultancy Group or the Hamel and Prahalad's core competencies are few examples. Although I cannot do justice to such area of business literature in a single appendix, a summary of different concepts of strategic thinking and their impact on M&As of telecom industry is appropriate in this section.

Probably one the more notable parameters in the context of telecom industry in relation to impact on strategy is the fact that by and large, telecom markets are not yet fully competitive. Telecom markets are usually regulated to different degrees (e.g. under various banners such as national security in US) and competition is distorted by retention of governmental interests and interventions. The appropriateness of reviewing these different strategic perspectives might be their influence at various periods on prevalent thinking of the time which may create a tendency on management thinking about latest business theories when making decisions. An example might be the 1983 decision by AT&T to expand into mobile phones as a niche market.

The McKinsey consulting group's views on M&As

The McKinsey management consulting group, was founded in Chicago around 1926 by James McKinsey. It is known as early pioneers of budgeting as a management tool, and went on to become a major name in business consulting. McKinsey group is generally regarded as the originator of the concepts that became popular in the industrial consolidation era of 1950s contending that (Wasserstein, 2001) "leading companies in leading industries, make more money and are therefore more attractive acquisitions" (p200).

This formulation according to Wasserstein (ibid) doesn't encourage investment in emerging industries and was discredited for overlooking the dynamic evolving nature of markets. More recently further criticism of McKinsey's consulting advises have been published such as *The Witch Doctors* (Micklethwait and Wooldridge, 1998) describing errors and alleged disastrous consequences of McKinsey's consultants' fault or the Dangerous Company (O'Shea and Madigan, 1998) subtitled "The Consulting Powerhouses and the Businesses They Save and Ruin". Financial Times (15 May 1998) reported the criticism that Tony Blair (British Prime Minister 1997-2007) faced for involving McKinsey consulting group on restructuring the Cabinet Office. According to Wasserstein (2001) McKinsey's prescriptive formula though lacks practicality "spawned the corporate guru industry and created a vacuum for investment bankers to assert a wider expertise as 'practical' strategists"(p200).

The Boston Consulting Group's views on M&As

Among McKinsey's other strategy critics are The Boston Consulting Group (BCG) established in 1963 by Bruce Henderson of Harvard Business School, focusing on 'Business Strategy' as their expertise and more recently in 1973 Bain & Co set up by the former vice president of The Boston Consulting Group, Bill Bain together with seven other ex-partners at BCG.

The BCG proposed a strategy model based on concepts such as 'product life cycle', 'balanced portfolio' and 'experience curve'. According to BCG formulation, products and businesses go through four phases of developments, growth, maturity and decline. This delineation then leads on to appropriate timing for mergers and acquisitions by observing that strategic management decisions should be taken to invest in a balanced mix portfolio of products and businesses with different growth rates and different market shares. Famously naming the mature low growth operations producing cash in excess of their costs were called Cash *Cows*. *Dogs,* then was the category name for slow growth, small market share companies with little potential for generating cash and were best sold off based on the product life cycle curve theory. The other categorizations of businesses according to BCG were *Problem Children* businesses, requiring supply of more cash than they generate otherwise they might turn into Dogs. Finally Stars are companies with high market share, high growth that eventually become Cash Cows.

Essentially, the portfolio balance theory of BCG, purported that companies and businesses move along the product life cycle curve. According to Wasserstein (2001)

> these theories were the intellectual foundation for conglomerate activities and rationalize the corporate churning of an asset portfolio [and discredited in 1980] when conglomerates crashed (p202)

Michael Porters view on M&As

In 1979 Porter proposed observing the business environment of firms through 5 forces that affect companies' ability to serve customers and hence their profitability to assess the appeal of a market for investment. These five forces being intensity of rivalry among competing firms, threat of substitute products, potential new entrants into the market segment, bargaining power of suppliers and that of buyers. A change in the balance of any of these five forces would require a strategic assessment by the company about its activities in that market segment.

In his 1980 book Competitive Strategy, Porter described the value chain and industry structure-conduct-performance proposing low cost and product differentiation as key competitive advantages for firms that became popular for contemporary business audience. Then Brandenburger and Nalebuff (1997) extended Porter's five forces through an idea called the '*complementors*' to account for some strategic alliances being more successful than other. Many (e.g. McGahan, 2004; Wheelen and Hunger, 2003) acknowledge Porter's initial contribution, and have followed suite even referring to *government* or the *public* as the sixth force.

On the other hand, others like Coyne et al (1999) and Subramaniam (1999) have criticized Porter's five forces drawing attention to for example to the implied assumptions that buyers, competitors, and suppliers appear as unrelated force not interacting with each other such as colluding with each other. Other criticisms of Porter's five forces (ibid) in the context of M&As are that the source of value is seemingly structural advantage i.e. creating barriers to entry by strategic acquisitions. Furthermore, Porter's model seem to assume low levels of uncertainty in business environment which implies that participants in a market can comfortably plan for and respond to competitive behavior. Other criticisms of Porter have come from Brandenburger and Nalebuff (1997) who contend that assessing the profitability of an industry regardless of the resources of the company that characterize it, offer only limited insights. Kay (1999) also on strategic alliances comments that Porter's views

> suffered from the limitations of the material on which it was based. Porter's 'five forces' and value chain are usefully descriptive of industry structure, but shed no light on the central strategic issue: why different firms, facing the same environment, perform [behave] differently. (p3)

Core Competencies concepts as a strategic dimension of M&As

The Core Competencies concept is believed to have emerged through a series of articles by C.K. Prahalad and Gary Hamel in 1990 in the Harvard Business Review which followed their book - Competing for the Future. According to the authors managers should be assessed on their ability to recognize, develop, and take advantage of the 'core competencies' which would enable corporations to grow. Wasserstein (2001) correlates the strategic expansion of businesses through M&As in the 1990s and "the divestiture of excess baggage of 1960s diversification"(p203) to core competencies propositions. According to Hamel and Prahalad (1990) "the challenge is to pierce the fog of uncertainty and develop great foresight into the whereabouts of tomorrow's markets"(p.79) and offer "a view of strategy that is less concerned with ensuring a tight fit between goals and resources and is more concerned with creating stretch goals that challenge employees to accomplish the seemingly impossible" (1990) (p.83). Consequently it may be interpreted that alliances and acquisitions might be a way to create new ways of using a firm's capabilities or to enter new markets.

Since Prahalad and Hamel introduced the core competencies concept many (Coyne et al., 1997; Leonard-Barton, 1997; Galunic and Rodan, 1998) have attempted to explore the meaning of *core competence*. A competence which is considered to be a major focus of the business's operations but not unique in some way may not qualify as a core competence, since it does not differentiate the business from other similar businesses. It could therefore follow from such definitions that that resources that are standardized or could be readily available to others will not give a business a competitive advantage over rivals. Acquisitions then as a way of ensuring access by the acquirers and exclusion of competitors are the right strategy. In the telecom industry acquisitions of many national carriers in Latin America by Telefonica of Spain is one such example to mostly exclude competitors .

Concluding remarks

Regardless of the many accounts on the patterns of M&As of 1960s, 1970s and 1980s, many M&As activities were undertaken, and may resemble one or another perspective better. Each of the above described strategic approaches to M&As offers explanations and insights which may well illuminate some aspects of such activities or describe the strategic dilemmas that may have influenced M&A decisions. It has however been said (Wasserstein, 2001) that "most CEOs do not take as formal an approach to strategic planning as their academics counter parts"(p204)

A1.3 M&As from Corporate Finance Perspective

Merger waves and emergence of corporate finance

As the size, scope and complexity of M&As has been increasing over the years (Cosh et al 2001) the subject of corporate finance (a comparatively new area of finance) dealing with the financial decisions that corporations need to make and its analytical tools has emerged as an important consideration in 1990s M&As. From a theoretical perspective (Friedman and Gibson, 1988; Maremont and Mitchell, 1988) the primary goal of Corporate finance is to enhance corporate value, and in the context of M&As, this means improving the financial decisions related to exploration of positive synergistical impacts without taking excessive financial risks. One of the areas of modern-day applied finance research has accordingly become exploring the effects of merger activities through financial characteristics approaches.

Corporate finance perspective according to Pike & Neals (1994), treat M&As as essentially *investment decisions* that are different from other investment decisions such as purchase of machinery or other fixed assets. The difference include uncertainties associated with resistance of managers/shareholders of target companies and possibly that the benefits could be more difficult to quantify. From corporate finance perspective (ibid), managers seeking to maximize shareholder values should consider investing in acquisition of suitable target companies if (a) they can be acquired at less than their '*ture value'* or (b) if the merged entity would be worth more than the two separate companies operating independently. These two arguments are considered by many as fraught with uncertainties (Cosh et al 2001) such as the meaning of *true value* of a company or subjectivities in methods of company valuations.

Corporate finance nevertheless has emerged as a way of offering quantitative analysis techniques and scenario considerations to managers contemplating M&A decisions. For example, exploring potential benefits as consequence of economies of scale in manufacturing capacities, marketing economies if similar distribution channels are used, or financial economies if bigger size could bestow better terms from the capital markets perspectives. Among other assessments are synergies that might be obtained as a result of combining human resources, accounting functions, comparisons of costs of entering new markets which might be quicker by acquisition of suitable targets or the benefits of pooling R&D, brand investments or market share benefits.

Another area in M&As that corporate finance explores is that of risk reduction. For example in overseas acquisitions by telecom companies (e.g. British Telecom's drive into the Irish market in late 1980s or Telefonica of Spain's expansion into Latin American markets) this is treated as spreading of investments in growth through acquisitions interpreted as lowering market risks through diversification. According to this risk assessment perspective, investing through M&As, in different markets, different economies, and different stock markets is considered as lowering of overall financial volatility and financial distress albeit with imperfect correlations (Madura 1995).

The correlations of higher managerial benefits and salaries at larger firms (Vos and Kelleher, 2001) are however, frequently reported. Such correlations, it is claimed (ibid) make managers more eager to view M&As as a quicker growth path. For example, in the late 1980s and early 1990s, a trend had emerged in UK where the managers were paid by results such as EPR (earning per share) which proved remarkably easy to manipulate. These included the shutting down of a loss-making subsidiary of new acquisitions. Emergence of such behavior despite financial budgeting techniques and capital investment planning (Vos and Kelleher, 2001) has been the subject of many studies notably Bleeke and Ernst (1993) as cited in 15 other books, that showed 43% of cross border acquisitions failed to produce a financial return or even the costs of capital raised by acquirers. It might therefore be appropriate at this stage to briefly trace a recent example of M&As in Telecom industry that have not been to the best interests of the shareholders.

A1.3.1 The MCI - WorldCom story

Our example traces events surrounding MCI formed in US by the merger of *WorldCom* and *MCI Communications* in early 1980s and ended when it was eventually acquired by *Verizon* in 2006 for US$7.6 billion. The reason I've selected MCI is because the histories of companies it acquired echoed some of the trends that swept telecom industry during 1950-2000. The fall outs hurt my own and those of close colleagues careers'. The eventual outcome of the imprisonment of their senior management is neither a cure nor compensation.

The story begins with the formation of LDD (Long Distance Discount Services, Inc.) in 1983. Two years later, Bernard Ebbers was selected as its CEO who took the company public in 1989. The company grew through a series of acquisitions during the 1990s that included Advanced Communications (1992), Metromedia (1993), Reurgens (1993), IDB (1994), Williams Technology Group (1995), MFS Communications (1996) and MCI in 1998. LDD changed their names to WorldCom in 1995. In 2001 Worldcom acquired Intermedia Communications, and then sold all of all the divisions to Allegiance Telecom only keeping a subsidiary called Digex. In 1997, in the largest merger in US history up to that time, WorldCom and MCI announced a US$37bn merger to form MCI WorldCom.
In 1999 Sprint Corporation and MCI WorldCom announced their $129bn merger plan to form the largest telecom company in the US putting AT&T in second place. The CEO Bernard Ebbers meanwhile had become very rich from the rising price of his holdings in WorldCom's stock. But the US Department of Justice and the European Commission raised concerns over risks in creation of a monopoly (over 25% market share in Europe is considered a monopoly) and the deal was not approved. This coincided with the telecom industry entering a down turn following the dot.com years when for the first time in my career, I was made redundant. WorldCom's growth strategy suffered a double blow when it was forced to abandon its proposed merger with Sprint in late 2000. WorldCom's share price continued declining in 2001 and banks called on Mr. Ebbers to cover margin calls on his WorldCom stock, used to finance his other businesses such as timber and yachting.
Mr. Ebbers persuaded WorldCom's board of directors to provide around $400m corporate loans to him to cover his margin calls. The company's poor financial situation continued and in April 2002 the board eventually replaced Ebbers.

However during 1999 to 2002 WorldCom directors had been covering the declining financial condition situation of their company by portraying a false image of a profitable and financially stable growing business to prop up the price of WorldCom's stock. The falsification which has been widely reported in the media in 2006 had been systematically undertaken by interconnection of expenses of other subsidiaries by capitalizing these costs on the balance sheet rather than properly expensing them and also inflating revenues with fake entries from 'corporate unallocated revenue accounts'. In June 2002 during an internal examination of capital expenditures WorldCom's audit department discovered $3.8 billion of the fraud. The company then acted quickly by firing top executives. The U.S. Securities and Exchange Commission (SEC) launched an investigation which concluded that the company's assets had been inflated by $11bn as opposed to the internally reported $3.8bn. In 2002, WorldCom filed for bankruptcy. The investors and staff in an attempt to pick up the pieces of what was left, changed the company name to MCI and relocated the new corporate headquarters from Mississippi to Virginia. The new MCI emerged with $5.7bn debt and $6bn in cash receiving, under a bankruptcy reorganization agreement, $750m in cash and stock for the aggrieved investors.

When I went to Iraq to give wireless telecom training in March 2005, I learnt that back in 2003, the new MCI had been awarded a 'no-bid' contract by the US Department of Defense to build a cellular telephone network in Iraq. During 2005, Bernard Ebbers the CEO, Scott Sullivan the CFO, David Myers the controller, Buford Yates the accounting director, Troy Normand and Betty Vinson the accounting managers, among other WorldCom managers were all found guilty of all charges and convicted on fraud, conspiracy and filing false documents with regulators. Bernard Ebbers now in prison since 26 June 2006 received the highest jail sentence of 25 years. Putting an end to the fate of this company, Verizon Communications announced acquisition of MCI for $7.6bn in Feb 2005. In non-telecom industry, probably the case of Enron in energy supply industry in 2001, is worthy of mention in becoming icon of corporate fraud and corruption (McLean & Elkind, 2003), which ended in Oct 2006 with imprisonment of many of its directors. The accounting firm 'Arthur Andersen' was also closed implicated for Enron's accounts falsifications.

.. returning to M&As from corporate finance perspective

The financing of larger M&As is typically achieved either through cash raised by acquirer's *borrowing*, *exchange* of ordinary *shares* or fixed interest securities such as *preference shares* , *loan stock* or a combination of the three. The cash might be raised either through borrowing from banks, or by issue of bonds. Acquisitions undertaken through debt are sometimes classified as *leveraged buyouts*. Another method is known as "loan notes" where the shareholders are offered a choice, to take part or all of their proceeds in loan notes rather than cash. A takeover may also be financed by an all share proposal where the acquirers issues new shares of the merged organization to the shareholders of the company being acquired.

Which of these methods is employed, depends primarily on the circumstances of the merger proposal and shareholders' preferences at the time? For example, from the acquired shareholders perspective share exchange offers might have the advantages of capital gains tax liabilities deferment, and from the acquirer's perspective, share exchange offers do not involve extra costs such as possible raising, handling and transfer of cash.

Conversely, from the acquired company shareholders viewpoint, the value of a share exchange offer is less certain due to possible drops in the value of shares which is not the case in a cash offer. Similarly, from the acquirer's standpoint, share exchange offers may dilute existing shareholders control and also any substantial sale of the shares by groups of new shareholders might lead to a drop in share price of acquirers.

Arithmetically though, it can be shown that in share exchange of equivalent value to a cash offer the shareholders of the acquirer are always worse off because their share of both the company and the gains from the acquisition are diluted among the larger number of shares. Arithmetic calculations assume (a) exact knowledge and (b) assessment of the potential gains and (c) zero probability of any 'skeletons' appearing in the cupboards which might be the case since most takeovers are by and large assessed with estimated figures and even less reliable figure if the takeovers are hostile in nature as described above. However, there are some generically defined applicable legal regulations on the conduct of companies in such regards. For example, M&As in the UK are governed by the City Code on Takeovers and Mergers rules known as 'The Blue Book' which since 2006 has been given statutory status. This legislation is part of the UK's compliance with the European Directive on Takeovers (2004/25/EC) addressing issues such as when and what information companies must and cannot disclose publicly in relation to a proposed merger and or acquisition, setting out timetables and even minimum bid levels. Some of recent major M&As of Telecom industry based on size and published methods of payment are:

- MCI acquisition of WorldCom for $44bn - all share (1997)
- MCI WorldCom takeover of Sprint $114bn - all share (1999)
- Vodafone takeover of Mannesmann $183bn - all share (2000)
- America Online merger with Time Warner $166bn - all share (2000)
- Cingular merger with AT&T Wireless $47bn - all share (2004)
- JDS Uniphase acquired Acterna $760m : $450m cash + $310m stock (2005)
- SBC merger with AT&T $16bn - all share (2005)
- Sprint merger with Nextel $36bn - all share (2005)
- Britsu* acquisition of NetTex – circa $40m cash (2005)
- EXFO* acquisition of Consultronics $19.8m in cash (2005)
- Siemens Nokia merger - value not confirmed (2006)
- Alcatel merger and Lucent Technologies - value not confirmed (2006)
- AT&T - BellSouth merger $86bn - all share (2006)
- Verizon acquisition of MCI $8.5bn - all share (2006)

Next, the important notion of company valuations in M&As is presented.

A1.3.2 Bid valuations under corporate finance in M&As

The process of a merger or acquisition normally begins when an acquirer makes an initial bid stating the price it is offering to the shareholders of the 'target' company. It is not uncommon for the managers of the target company to reject the initial offer for reasons such as the price being too low or other non-synergistic claims. However, if the bidder continues to pursue it, or even openly announce the offer without consultation with the board of management, the takeover is referred to as 'hostile'. In 2006, my employer, Britsu of Japan, was targeted by their biggest competitor, Agilent of US. To fend off being acquired, the major share holders of Britsu (Sumitomo Bank and NEC Corp) increased their stake in the company.

The size of acquisitions may well exceed readily available financial resources of firms. Accordingly, the impact of imprudent excessive borrowings on the gearing of the business may risk a drop in share prices of the firms, and so the bid proposal must be well considered, different scenarios thought through, before formally disclosing the acquisition proposal. Whether the takeover is hostile or not, bidders still are able to commence ***due diligence*** (see later) proceedings into the affairs of the target company for further information. Nonetheless, the hostility of the target would limit the available information to the minimum required by law which, some consider as being a riskier approach. Vodafone's takeover of German mobile network operator Mannesmann was the first openly hostile takeover by a foreign firm in Germany. Manne (1965) argues that hostile takeovers are market outcomes where acquiring firms replace the inefficient management at other companies and would provide improved shareholder returns. Morck et al (1988) similarly propose that hostile takeovers are driven by fundamental business motives whilst takeovers in search of synergies between bidder and target firms are more likely to be friendly.

Cosh et al (2002) however, express some reservations about hostile takeovers weeding out of bad management. Similarly Brealy and Myers (1991) state that, there always will be firms with

> unexploited opportunities to cut costs and increase sales and earnings. Such firms are natural candidates for acquisition by other firms with better management. In some instances 'better management' may simply mean the determination to force painful cuts or realign the company's operations…. If this motive is important, one would expect that firms that perform poorly tend to be targets for acquisition. (p. 945)

These statements are by and large in line with financial theory's implications (Friedman and Gibson, 1988; Maremont and Mitchell, 1988) that M&As are undertaken by managers in anticipation of positive synergistical effects with most managers proclaiming exploration of potential synergy for justifying their decisions. On the other hand, underperformance of companies could be as a consequence of business environment (e.g. steel and coal industries in 1980s) as well as firm-specific.

Jensen (1986) argues that rapid changes in business environment may contribute to underperformance across an industry, and it might also be the case that incumbent managers as a whole would find it difficult to rapidly adjust to the new business climates or that the legislations limits scope of competitive operations. Examples might be closure of poorly performing subsidiaries or resistance against laying off workers (Shleifer and Summers, 1988). Whether hostile or friendly, corporate finance perspective attempts to assess the M&As with a view "to maximize the post bid value of the expanded enterprise" (Pike and Neale, 1998) through parameters such as cash flow of enlarged company that must exceed that of the two firms prior to the merger. This implies that the acquirers need to estimate such factors as potential cost savings, anticipated value of the expected synergies plus financing costs in order to make the offer attractive enough to the owners of the target company. And it is therefore through corporate financial assessment that acquisitions may be better tailored to more specific motives for each bid.

Cognizant of above, the financing methods influence how the benefits/risk get distributed to the shareholders on both sides. The size and structure of the bid also invariably alerts competitors who might make a counter bid offer for the same target and the potential competition that might ensue between rivals for the same acquisition. A couple of examples might help to illustrate serious risks involved once M&A decisions are announced.

A) BT bid for MCI

In 1991, BT purchased 20% of MCI. Then in 1996 BT and MCI jointly announced full merger plans to create a new global company to be named ***Concert plc*** to have been registered in UK. Whilst the merger plans were approved by European bodies, US Department of Justice and the US Federal Communications Commission and it looked all set to proceed, in October 1997, Worldcom made a counter bid for MCI which was followed by an all cash bid from GTE. After a year of deliberations and mega persuasion speeches by Mr. Ebbers, MCI shareholders rebuffed BT's proposal and voted to merge with WorldCom in a stock-swap deal valued at the time at $34.7bn. As a result BT pulled out of the bidding with a $465m severance fee and a year later sold it 20% stake in MCI to Worldcom for £4.2bn on which it had to pay an exceptional pre-tax profit of £1.1bn.

B) Vodafone bid for Mannesmann

Another example is Vodafone's acquisition of Mannesmann in 2000 in one of the largest hostile takeovers by a foreign firm in Germany. Also the 2002 Vodafone acquisition of J-Phone (Japan's third-largest mobile company) was hostile which as it turned out proved disappointing. In Japan customers left Vodafone in large numbers. By Feb 2005, Vodafone Japan customer base had fallen to 15.1m falling further in by Oct 2005 to 14.9 m, while during the same period the other two competitors of Vodafone; KDDI and NTT-DoCoMo had gained extra 1.82m and 1.65m customers respectively. In 2006 Vodafone sold all its interest in Vodafone Japan to SoftBank for £8.9bn of which £6.8bn were paid in cash.

Vodafone, announced a loss before tax of £14.9bn for 2005, which at the time of writing this paper (Oct 2008) remains the biggest loss in British corporate history. The company was pushed into loss by charges of £23.5bn relating to the hostile acquisition of Mannesmann in April 2000, and losses of £4.6bn in relation to its discontinued business in Japan.

Although there are studies on criteria for judging success of failure of M&A activities (Bild et al., 2002), it is difficult to reach a universal definition of 'success' or 'failure' of a merger or acquisition. By and large, corporate finance perspective states that (Sudarsanam 1995, Gregory 1997) such activities must enhance shareholder interests to be regarded favorably by the capital markets. In a UK study during 1985-6, Franks and Mayer (1996) reported weak correlation of long term underperformance by acquired companies and similarly in case of US firms' underperformance, Morck et al (1988), Martin and McConnell (1991), and Schwert (2000) found little evidence of underperformance in the years before their acquisitions. However, Cosh et al (2002) observe worsening profitability of acquired companies in the year of the takeover.

It is probably impossible to definitively assess performance of both the acquired firms and acquirers had a merger not proceeded since both entities are irreversibly transformed as a consequence the takeovers.

Impacts of transformed business environments too are difficult to judge. From a financial perspective, it might however, be more realistic to suggest that acquisitions that result in poorer profitability of the new enlarged enterprise compared to similar size firms in the same industry, lead to a fall in shareholder wealth and as such have not been in the best interests of the shareholders.

The above examples of mergers of BT–MCI and the acquisition of J-Phone by Vodafone are cases for acquirers paying too much for their targets as result of overestimating the likely benefits and the unpredictability of business environments. In the case of BT-WorldCom getting caught in a competitive bidding situation and subsequently having to abandon the acquisition all together, is an example of unpredictability of business environment issues. These examples could be interpreted to be in line with Porter (1987) criterion for judging 'success' of M&As on the basis of subsequent divestment rate of earlier acquisitions.

Harrison (1991) cited in DePamphilis (2005) in the context of financial objectives, discusses alternative ways of achieving the same goals. Harrison's (ibid) suggestions include internal expansion, joint ventures possibilities, or if earning per share improvement is the objective, closure of loss making subsidiaries, or if use of spare cash is the aim, considering investments in securities. Returning the cash to share holders or share buyback schemes are new options.

A1.3.3 Approaches to M&A decisions

Many firms, at their corporate levels review performance of major other firms within their own industry as well as related and sometimes unrelated areas. They may track potential takeover targets by monitoring their various performance aspects such as market share, profitability, strengths and weaknesses. Mr. Takashima, the vice president of Britsu told [interview Dec 2006] that amongst the tasks of his team were updating likely estimates of net value obtainable against their own set of acquisition criteria for a short list of half a dozen or so candidates. And when his decision to enter 'Service Assurance' market was approved, his team prepared a more in depth SWOTs for each target. Also the likely defending strategies that the target management could employ as well as Britsu's own set of scenarios for such circumstances were prepared.

Peter, the new appointed director for NetTex after the acquisition who became my boss's boss (Dec 2006) whilst still deflecting my question on the amount they'd paid for the acquisition, told me that " bidding is a more of real life exercise in applied psychology more than a corporate financial decision". The first thing to remember, according to Peter, is that the bid should be timed when either the target is undervalued by the market, or that it'd be worth more under the acquirer. And the trick is, continued Peter, how much above the market price you pitch the bid, could be interpreted by the market as an indicator of the potential synergies the acquirer stands to gain. Peter (an American) had joined Britsu in 1995 through Britsu's acquisition of Wiltron (also a US firm) talked about some of the ploys he'd come across by defending managers that may influence shareholders to decline bid offers. These included denigrating the profit and share record of the bidder, revising profit forecasts with higher dividends or even lobbying for a referral to MMC. Other defenses also used include the targeted company launching an acquisition bid for another company to make themselves less digestible for the original bidder or even splitting / selling off the most attractive subsidiaries for the original bidder.

Gluck (1988) and Ruback (1983) in their review of defences against takeovers mention:

- Seeking an alternative suitor that will acquire the target (White Knight)
- Updating valuation of assets, patents or contracts
- Issuing new share into friendly hands
- Launching a counter bid to acquire the bidder
- Repurchase of own shares to drive up the share prices

Takeover Code of conducts in UK and Europe are updated to safeguard against such deliberate manipulations.

A1.3.4 Assessing M&As from corporate finance perspective

Many studies into the impacts of M&As have examined the shareholder aspects, and typically report positive abnormal returns (gains as a consequence of the takeovers) for the shareholders of the acquired firms and comparatively smaller benefits for the shareholders of the acquiring firms (Jensen and Ruback, 1983; Roll, 1986; Franks et al., 1988). The typical span period of such studies for the 1955 – 1980, is a few years before to around five years after the acquisition.

However, Higgins et al (2001) in examining M&A activities of UK and US firms over 1950 – 2000 reported small levels of abnormal returns. They proposed possible effects or a combination of them for this such as inefficiencies in market valuations of the envisaged synergy element and market corrections of the merger impact where no actual synergy had materialized. Roll (1986) similarly argue that M&As take place despite of absent of an economic case. In this regard, Higgins, et al (2001) contend that even realizable synergistic properties of M&As are consumed as "managerial rents". Peacock and Bannock (1991) go even further by stating that M&As do not create wealth and merely transfer ownership of assets and the explanations as to why they take place are often (Porter,1992) a complex interplay of economic, social and political factors which are beyond the presumed simple causation by association. For example, Constantinou and Constantinou (2003) observe evidence of cross-sectional dependence of bidder shareholder wealth and target's board characteristics such as the mix of executive versus non-executives directors, the size of the board of directors, the stock holdings of executives, and the other directorships held by non-executives serving the target board as relevant, when accepting or declining bids.

In other words, the study finds correlations between corporate strategies that a firm formulates and the board of directors and

> bidder-shareholder wealth is favored in acquisitions where bidders have marginally more executive than non-executive directors in their boards and therefore the question arises as to whether "dependent" boards are more efficient than "independent" ones. (p. 3)

Another perspective in characterization of impacts of M&As is based on examination of key financial factors. These include profitability of both acquiring and acquired firms before and after the takeover Guest and Cosh (2002), with that of similar size firms [referred to as 'control firms'] in the same industrial classifications not involved in acquisitions.

Whilst broad correlating patterns are often reported, M&As from corporate finance suffer from other severe limitations (Pike and Neale, 1998).Among such difficulties are the potential for making unreliable comparisons since firms could have different accounting conventions in place, or possible distortions in post acquisition profitability assessments regarding treatment of goodwill (see later). These make big swings on return on investment depending on amounts of goodwill write off of after the takeover. Pike and Neale (1998) conclude that since many acquisitions may have been undertaken for 'strategic' purposes and often involve lengthy and costly initial reorganizations, it may take five to ten years for the full benefits to emerge. Furthermore 'when 'efficient' companies take over 'inefficient' companies, their return on net assets and fixed asset turnover ratios would, for several accounting periods, automatically fall'(p.644).

In search of more reliable evaluation techniques Bild et al (1998) report that, accounting research has re-examined fundamental approaches to corporate valuation during the last decade. Feltham and Ohlson (1995) for example, explore models based on residual income which are being increasingly used in 'practical valuation settings' (Penman, 2000). More specifically based on the residual income approach (Cosh et al, 2002) if, M&As have created value, then the fundamental valuation of the acquirers following the acquisition should be greater than their valuation before.

In a study of a sample of 386 UK acquisitions where the acquisitions represented significant investments for the acquirers, and applying the residual income methodology, Guest et al (2001), compared the financial performance of M&As with those of the traditional accounting measure. The authors concluded that

> when using the traditional accounting method, acquisitions result in a significant improvement in return on equity. However, when using the residual income approach, acquisitions result in a significantly lower fundamental value of the acquiring company than existed prior to acquisition. Our conclusion is that acquisitions actually destroy fundamental value (p.4).

Acknowledging that the reported findings are due to treating concepts such as company valuations differently, the authors confirmed results indicating an improvement in the merging firms' return on equity in the post-takeover period. Their conclusion is consistent with those of Chatterjee and Meeks {, 1996 #155},Higson (1998), Manson, Powell, Stark and Thomas (2000), and Carline, Linn, and Yadav (2002).

However, Guest et al (2001), additionally observed that in contrast to their results for 1984-90, other studies {Chatterjee, 1996 #155},

> find no positive impact of acquisitions for the 1977-83 and hypothesise that the improvement in the former period may be due to the relatively beneficial impact on profitability of immediately writing off goodwill to reserves (p.18).

In other words, treatment of goodwill, makes a difference to how financial performance of acquisitions turn out. Goodwill and other considerations such as due diligence processes are the subject of the next sections.

A1.4 Corporate finance perspectives on Goodwill and Due Diligence of M&As

Before moving onto the relatively new areas of *Goodwill* and *Due Diligence*, it is appropriate to recap the discussion so far. A major focus of corporate finance is enhancing corporate value. This is achieved by assessments of long and short term risks for financial decisions as capital investments, working capital, balance of current assets and current liabilities. Pike and Neale (1998) argue that "acquisitions of other companies are investment decisions and should be evaluated on essentially the same criteria" (p.620) but with two major differences. The first being that acquisitions are often resisted by various people (see NeTest and Great Nordic narratives) and that bidders have access only to published information which may contain distortions.

Secondly, many M&As take place under longer term strategic banners, often with open ended motives using vague expressions largely for targeted consumption (Klemm et al., 191), and so the benefits are often difficult to quantify under such circumstances.
By and large, there is no unanimous verdict on sensibility of M&As from a financial perspective with some (Andrade 2001) claiming that takeovers create value in terms of profits and short run share price gains. Others (Tichy, 2001; King et al., 2003; Ingham et al., 2007) argue that not only M&As do not improve profits, they destroy shareholder value. Similarly, Cosh et al (2002) opine that neither event studies nor accounting studies are capable of addressing the key issue in that

> the stock market reaction to a takeover bid reflects many factors, and not just the marginal impact of acquisition. The accounting studies on the other hand do not explicitly account for the cost of the acquisition, the time value of money, or profits earned beyond a limited post-acquisition period. (p.3)

Over and above the uncertainties described in so far such as subjectivities of valuation methods, *accounting* and *event* studies, next *'goodwill'* is reviewed as it may swing judgments about M&A activities.

A1.4.1 Goodwill

In ordinary daily use, I understand 'goodwill' as something we build up with customers and employees in the hope that we can rely on their loyalty in hard times. However, in corporate finance 'goodwill' arises when a company is purchased above its book value. The difference, by definition (Tearney 1973) between the purchase price and the sum of the fair value of the net assets is, the value of the "goodwill" of the purchased company. Goodwill becomes relevant in M&As and corporate finance because, the acquiring companies must identify the amount of goodwill, as an asset on their financial statements, and create a separate line item for goodwill of the acquisition on their balance sheet. In other words, goodwill is used as the balancing sum that allows to present comparable accounting information about the acquisition undertaken at the price above the book value of the acquired firm. Definitions of goodwill date back to ~1880. Springsteel (1997) calls it the *premium* that a company pays for another company's assets. More recently, Goodwill has also been linked to fair market value (FMV) and defined as the portion of the purchase price greater than the FMV of the acquired assets, less any liabilities assumed (Fernstrum, 2004).

Despite many definitions, there is a general agreement that Goodwill is an intangible asset, probably the most intangible of all intangible assets that not only is difficult to measure it also remains a challenge to account for since there is no limit to a *maximum* for it. For example in 2000, JDS (a telecom components manufacturer) acquired Epion for $33m or 5.5 times the book value which was $6m. The acquirer formally recorded the staggering $27m premium as "goodwill" (JDS annual report 2003). Same year, JDS had undertaken acquisitions of four other telecom firms (E-Tek , OCLI, SDL, FITEL) paying another $6bn in goodwill and a similar premium multiple above their book value.

In the earlier days treatment of goodwill was the premium paid for a company's good image and reputation in the market place with its customers and also its suppliers for credit rating for instance. More recently the concept has evolved to include the complete set of identifiable and unidentifiable intangible assets of a company such as patents, copyrights, favorable government regulations, outstanding workforce, effective advertising, market share, excellent management, or anything that could lead to superior earning power (Twedie and Blanchet, 1990). Goodwill, today in majority of cases, seem to constitute a much larger part of acquisition prices than it did previously, resulting in a much greater impact on financial statements (Zanoni, 2009).

Recording the goodwill in M&As

Following a merger or acquisition the two typical ways of generating the new set of accounts for the new combined businesses are:

1) "Pooling" or "Merger Accounting" where the two parties accounts are added together. The Pooling method is more common in the United States, whereby a new balance sheet is created for the combined business, by adding together the balance sheets of the two companies.
2) "Purchase" or "Acquisition Accounting" on the other hand, involves capitalizing goodwill on the acquirer's balance sheet and amortizing it flexibly over its economic life

In pre 1998 UK, nearly all acquiring firms used the latter method but then immediately wrote off the purchased goodwill from their equity (Higson, 1998).Accounting principles in the UK, Germany and Canada however, amortize over a predefined 10 – 20 years. From corporate finance perspective therefore, treatment of goodwill becomes a real consideration in assessing M&A activities and despite the above mentioned formal guidelines many aspects of handling it remain a controversial issue in the existing literature. The methodology of most of the quantitative studies is to compare the post-acquisition performance of the merged firms with the pre-acquisition of the merged firms. Most studies typically subtract goodwill from the merged firms' assets and add back amortization to the profitability measure.
Singh (1971) and Meeks (1977) conclude that inclusion of purchased goodwill on the merged firms books produces a downward bias on profitability. Healy et al (1992) similarly reported that profitability effects when measured separately, did not improve merged firms performance in real terms.

According to the Financial Accounting Standards Board in USA, as of 2001, companies with goodwill on the books must at least once a year, monitor it to see if the asset has been impaired and if so, must write off goodwill down to its estimated value (Massoud and Raiborn, 2004). Although previous amortization methods were more arbitrary, the new impairment testing is not much better either, since the company and the company alone, controls when to record goodwill impairment. The study by Massoud, and Raiborn (2004), predicts that under the newly introduced impairment testing requirements, the management of the company would almost always tend to estimate the impairment on the high side, in order to make the profitability of the firm look better, but this tendency might well be balanced by the fear of stockholders suing the management over poor acquisition management. Opposing the above group of authors, Morris (2002) under the heading "Accounting fiction or real loss" states that

> Whether goodwill writedowns actually signify anything has caused strenuous debate. Many would argue that in stock-for-stock deals no real loss occurs because each company simply traded a percentage of itself for the other. Opponents retort that the board has an obligation to maintain the liquidation value of holdings for the stockholders. Rather than wasting money acquiring another company whose value has tumbled, the company could have issued new stock and invested that money in its own business, preserving or enhancing the stockholder value. M&A enthusiasts among investment bankers claim that lost value cannot be assessed because no one knows what the company's value would have been without the merger (p94).

Jacobs (2003), similarly states that efforts in justifying goodwill treatment and cash earnings to investors is proving increasingly difficult because shares values in the market are driven by 'smart money', and the smart money understands the economics of cash flow as just an accounting exercises not real business. Cosh et al (2002) in assessing the value creation aspects of takeovers, find that in most studies conclusions are further distorted by not explicitly allowing for the cost of goodwill in their methodologies.

In summary of this short review of goodwill it could be argued that most mainstream business people and financial analysts whilst acknowledging the difficulties in objectively judging M&A activities, in practice analysis and judgments tend to become deterministic about elusive concepts such as what a firm worth is, its value creating ability and goodwill amounts attributed to them. In recent M&As this aspect is compounded as when the goodwill amounts are recorded as high as 5-6 times companies' book values. To me treatment of goodwill is another example of how to avoid anxieties, people tend to make themselves feel better by agreeing to have explanations or solutions (Aram 2002) for most things.

A1.4.2 Due Diligence – in telecom industry M&As

The phrase 'due diligence' is nowadays, used in different contexts such as in supplier quality engineering, in a criminal defense and as a concept in civil litigation. Due diligence notion, typically conjures undertaking investigation about a business or a person, or on implementation of an act (e.g. quality control procedures) to certain standards, due care or even with attention to legal obligations. In the context of corporate finance in particular (Hoskisson, Ireland and Hitt 2003), due diligence is a process through which a potential acquirer evaluates a target 'company' for acquisition.

The emergence of the increasing role of the concept of due diligence in M&As may have links to market liberalizations, deregulation and privatizations as well as their increasing size and complexities. It is therefore appropriate to review the interplay of these factors in telecom industry M&As by way of a few sample cases to give our due diligence review a better context.

Telecom industry may be important not because I work in it, but because of the impact it has had on a range of other industries. Up until mid 1980s telecom markets were mostly state-owned monopolies. But probably as the telecom industry's dynamism was correlated to improvements in other economic sectors gradually more countries began to subscribe to the liberalization ethos, and perhaps that's why the estate telecom monopolies were usually among the first to be privatized in UK, France, Germany, Japan, Spain, Mexico among others.

Before 1980s though, telecom industry, was generally thought as more of a natural monopoly. However, the introduction of optical fibers and the previously considered impossible services it brought about (see "Death of Distance" by Cairncross, 1997) might have alleviated initial worries that privatization would simply replaced a public monopoly with a private one.

In the US the government supported ownership of the long and local service restrictions in telecom industry as a monopoly (under national security banners) up to the 1984, until Judge Greene, in a landmark ruling, decreed dismantling of the AT&T's complex Bell regional operating systems with a national telecom policy to free up the market. This situation in US was commonly referred to as two different people trying to drive one car.

The 1996 Telecom Act, hailed by vice president Al Gore as bringing down the 'Berlin Walls" of telecom industry, changed this situation to adopt open competition as the basic principle effectively making US the first country to lead the way on liberalization of telecom markets with two main long distance providers, Sprint and MCI competing with the incumbent AT&T.
The Bell Atlantic's press releases on the legislation were typical of the enthusiastic response of others such as the financial community who predicted a surge in mergers and acquisitions and creation of 3.4m new jobs, lower prices and a US economic growth by 0.5% a year for the following ten years (WEFA group – econometrics firm)

Some of the events that immediately followed the 1996 bill were:
- SBC and Pacific Telesis announced a $45bn merger in Mar 1996
- Nynex and Bell Atlantic announced a $51bn in Apr 1996
- British Telecom's unsuccessful bid $20bn for 80% of MCI

Adoption of due diligence concepts from law

Due diligence in law refers to legal requirement whereby even after a case has been proven to have been committed, the defendant must prove on the balance of probabilities that all possible care to prevent the act from happening were taken. And so in M&As it is not considered sufficient that bidders just follow the normal standard of care in their industry - they must additionally show that every reasonable precaution was taken.
Indeed such tonality of expressing caution and emergence of emphasis on due diligence procedures in M&As is probably due to factors such as their increasing size and complexity. During 1960s, 1970s, 1980s and 1990s financial size of M&As has progressively increased (Brakman et al., 2005). These fly in the face of studies by Servaes (1991), Warnesly et al (1987),Asquith, Bruner, and Mullins (1987), Travlos (1987), Franks, Harris, and Mayer (1988), Loughran and Vijh (1997) Cosh et al (2002) who report that from a financial perspective, many companies overpaid for their acquisitions and destroyed value for the shareholders of the acquirers.

Perhaps due diligence is also a response to oversights felt in organizations when they got burnt by undertaking M&As and the feelings of not conducting sufficiently broad analyses of appropriate issues.

Other than the blatant cases of accountancy fraud and deliberate dishonesty as sampled above, the other commonly referenced sources of merger failure are *people issues* and issues related to organizational *culture*. It stands to reason, then, that skilful acquirers seem to conduct due-diligence analyses of these issues with the same amount of effort that they give to other more traditional areas, such as financial data, operational assets, legal rights issues, marketing prospects, and other established conventions. There is also a belief that firms that do, tend to do better. For example, Bank of America, Cisco Systems and General Electric all have claims to successful growth through M&As. General Electric throughout its history has undertaken hundreds of acquisitions. Nokia has used acquisitions as a driver in its transformation from a relatively small Finnish resource firm to the status of an international leader in wireless telecommunications industry whereas Vodafone has had more of a roller coaster ride.

Many focus on areas perceived as the greatest shortcomings and the greatest potential impact on post-merger integration issues such as initial risk factors, *organizational culture*, and *human capital* (Haspeslagh and Jemison, 1991). These newer aspects of pre-deal assessment are being treated with as much discipline and structure as financial and commercial considerations. M&As within telecom sector which predominantly have been cross-border M&As (Sherman, 1993) are recommended for additional due diligence focus. Haspeslagh (ibid) believes that many acquirers fail to attend to these less traditional components because they underestimate the potential significance of the findings. Others resist because “soft” due diligence in telecom M&As is perceived as not directly related to executive-level concerns about making the deal (Sherman, 1993) or it could also be a result of the overwhelming frenzy of increasingly higher number of hostile M&As during merger waves (Capron, 1999). Some authors (ibid) also point out the greater propensity for sloppiness among executives who know each other and also contend to know their respective organizations well, and therefore rely on a higher level of reliance on individual confidence for deal making. These tend to be companies who are in the same markets; the executives who know each other and how they behave reputation-ally.

Due diligence process in the acquisitions which I was involved with since late 1990s were primarily to avoid discovery of skeletons in the cupboards. There is also a growing interest in due diligence forms and formal procedures to be follow.

Most due diligence approaches claim to:

1. uncover potential liabilities before it is too late to do anything about them
A1. quantify items affecting the sale price
3. ensure there are no “downstream anomalies”
4. get data-based input into the negotiation process
5. facilitate launch of the integration-planning process

Below is an example of cultural incompatibility blamed as a cause of M&A failure:

> AT&T's acquired NCR in the early 1990s. According to Cary and Ogden (1998), AT&T was too late in discovering significance of cultural differences with NCR. Unionized employees objected to working in the same building as NCR's non-union staff. NCR's conservative, centralized management culture was turned inside out by AT&T's insistence on calling supervisors “coaches” and removing executives' doors. NCR’s executive turnover was so severe that by 1997 only four of the top thirty NCR managers remained. When AT&T sold NCR, the failure of the deal cost AT&T $3 billion, and NCR lost half its market value - (Watson Wyatt Worldwide, 1997-8)

Due-diligence process has also been described (Galpin and Herndon, 2000), as those aspects of both organizations that must be assessed before an *objective determination* can be made of whether to proceed. There might be (ibid) as many integration risks as there are deals and deal makers, but every organization, the authors warn, might be better off to develop a template of its own key issues to be considered at the outset. According to Galpin and Herndon (ibid) these include:

1. Desired level of integration
A1. Availability of managerial and technical talent
3. Cultural process mismatch
4. Strategic context and financial performance.
5. Pre-deal positioning
6. Global complexity (in cross border M&As)
7. Competition between staff
8. Relative dominance
9. What the deal means with respect to governance, control, culture, processes
10. M&A experience overwhelming or wear down even the best and the brightest
11. Ambiguities about power and authority irritates people when they won't know for a while who is really in control and how things really work

1A1. Concurrent pressures of board meetings, budgeting, performance reviews.

13. Hostility quotient- the people in organization did not ask to be bought, so watch for potential backlash and ventilation, historical or interpersonal issues

14. Organizational exhaustion. Burnout can kill an integration process

15. Incompatibility among top managers

16. Invalid assumptions about the business plan and processes.

17. Corporate arrogance - To mandate changes just because you have bought the right to do so is sheer folly – you need to win people's cooperation

References:

Alvesson, M. & Skoldberg, K. (2009). *Reflexive Methodology: New Vistas for Qualitative Research*. London: SAGE Publications Ltd.

Anderson, W. T. (1995). *The Truth about the Truth (New Consciousness Reader)*. New York: Jeremy P. Tarcher/Putnam - A member of Penguin Putnam Inc.

Andrade, G. & Stafford, E. (1997). 'Investigating the economic role of mergers' *Journal of Corporate Finance* 10 (1) pp. 1-35

Andrade, L. M. & Stafford, E. (2001). 'New Evidence and Perspectives on Mergers' *Journal of Economic Perspectives* 15 (2) pp. 3-20

Andre, P., Kooli, M. & L'Her, J. (2004). 'The Long-Run Performance of Mergers and Acquisitions: Evidence from the Canadian stock market' *Financial Management* 33 (4) pp. 15-25

Ashmore, M. (1989). *The Reflexive Thesis: Wrighting Sociology of Scientific Knowledge*. London: University of Chicago Press.

Asquith, P., Bruner, R. F. & Mullins, D. W. (1987). 'Merger Returns and the Form of Financing'' *Journal of Finance* 51 (2) pp. 1227-1246

Aumann, R. J. (1987). *Handbook of Game Theory with Economic Applications*. Amsterdam: North Holland.

Banai, M. & Reisel, W. D. (1993) *Expatriate Managers' Loyalty to the Multi National Corporations: Myth or Reality? An Exploratory Study*. Journal of International Business Studies, Published by: Palgrave Macmillan Journals 24, 233-248 DOI:

Bao, J. & Edmans, A. (2007). 'How Should Acquirers Select Advisors? Persistence in Investment Bank Performance' *MIT Sloan School of Management* 8 (1) pp. 47

Baranchuk, N., MacDonald, G. & Yang, J. (2007). 'The Economics of Super Managers' *Journal of Economic Literature* 38 (52) pp. 42

Barney, J. (1991). 'Firm Resources and Sustained Competitive Advantage' *Journal of Management* 17 (1) pp. 21

Baron, J. (2000). *Thinking and deciding*. New York: Cambridge University Press.

Barrett, H. (2007) *Researching Electronic Portfolios and Learner Engagement*. 50, 436–449 DOI: 10.1598

Batten, D. (2003). *Beyond Management by Objectives: A Management Classic*. New York: Resource Publications.

BBC. (2007) *What we know about 'unknown unknowns*. [Online], Available: **http://news.bbc.co.uk/2/hi/uk_news/magazine/7121136.stm** [24 Dec, 2007].

Bebenroth, R. & Kanai, T. (2010). *Challenges of Human Resource Management in Japan*. London & New York: Routledge Contemporary Japan Series.

Bennis, W. (2009). *On becoming a leader*. New York: Basic Books.

Bentley, D. (2000). *Control and emergence: The paradox of construction management*. Business. Hertfordshire, Hertordshire. PhD Thesis: pp. 199.

Berkovitch, E. & Narayanan, M. P. (1993). 'Motives for Takeovers: An Empirical Investigation' *Journal of Financial and Quantitative Analysis 28(3)* pp. 347-362

Berle, A. A. & Mean, G. C. (1932). *The Modern corporation and Private Property*. New York: Macmillan.

Bild, M. (1998). *Valuation of Takeovers*. Stokholm: Stockholm School of Economics, EFI, Economic Research Institute

Bild, M., Guest, P., Cosh, A. & Runsten, M. (2002). *Do Takeovers create value?* Competitive Strategy and Business performance. Cambridge, CBR Research program on Industrial Organisation. 252: pp. 6.

Blake, R. & Mouton, J. (1985). 'How to Achieve Integration on the Human side of the Merger' *Organizational Dynamics* 13 (3) pp. 41-56

Bleeke, J. & Ernst, D. (1993). *Collaborating to Compete: Using Strategic Alliances and Acquisitions in the Global Market Place*. New York: John Wiley.

Boateng, A. & Lodorfos, G. (2006). 'The role of culture in the merger and acquisition process: Evidence from the European chemical industry' *Journal of Management Decision* 44 (10) pp. 16

Boatright, J. (2002). 'Contractors as Stakeholders: Reconciling Stakeholder Theory with the Nexus-of Contracts Firm' *Journal of Banking and Finance* 26 (1) pp. 1837-1852

Boje, D. M. (1994). 'Organizational Storytelling - The Struggles of Pre-modern, Modern and Postmodern Organizational Learning Discourses' *Management Learning* 25 (3) pp. 433-461

Bonanno, G. A. (2009). *The Other Side of Sadness: What the New Science of Bereavement Tells Us About Life After Loss*. New York: Basic Books.

Boot, A. W. A., Milbourn, T. T. & Thakor, A. V. (1998). 'Expansion of Banking Scale and Scope: Don't Banks Know the Value of Focus?' *Journal of Economic Literature* 21 (7) pp. 33-62

Bower, J. (2001). 'Not All M&As are alike- and that matters' *Harvard Business Review* 79 (3) pp. 93-101

Brakman, S., Garretsen, J. H. & Marrewijk, J. G. M. (2005). 'Comparative advantage, cross-border mergers and merger waves: international economics meets industrial organization' *C E S - I F O Forum: a quarterly journal on economic trends in the Federal Republic of Germany* 15 (2) pp. 22-26

Brandenburger, A. M. & Nalebuff, B. J. (1997). *Co-Opetition : A Revolution Mindset That Combines Competition and Cooperation : The Game Theory Strategy That's Changing the Game of Business*. New York: Currency Doubleday.

Brealy, R., Myers, S. (1991). *Principles of Corporate Finance*. New York: McGraw Hill.

Bruner, J. S. (1990). *Acts of Meaning: Four Lectures on Mind and Culture*. Harvard: Harvard University Press.

Bruner, R. F. (2009). *Deals from Hell: M&A Lessons that Rise Above the Ashes*. New York: Wiley.

Buckley, P. J. & Ghauri, P. N. (2002). *International Mergers and Acquisitions*. London + Singapore: Thompson Cengage Learning EMEA.

Buono, A., and James Bowditch, (1989). 'The Human Side of Mergers and Acquisitions: Managing Collisions Between People, Culture and Organizations' *San Francisco: Jossey-Bass Publishers* pp.

Burgelman, R. A. & Grove, A. S. (2007). 'Let Chaos Reign, then Rein in Chaos – Repeatedly: Managing Strategic Dynamics for Corporate Longevity' *Strategic Management Journal* 28 (2) pp. 965-977

Burgess, J. (2006). 'Participatory action research: First-person perspectives of a graduate student' *Action Research* 4 (4) pp. 419-437

Campbell, A. (1999). 'How To Make Mergers Work' *The Economist* 9 (1) pp. 99-108

Capron, L. (1999). 'The Long Term Performance of Horizontal Acquisition ' *Strategic Management Journal* 20 (1) pp. 987-1018

Cartwright, S. & Cooper, C. L. (1993). 'The Psychological Impact of Merger and Acquisition on the individual: A Study of Building Society Managers' *Human Relations* 46 (3) pp. 327-347

Cartwright, S. & Cooper, C. L. (1993). 'The role of culture compatibility in successful organizational marriage' *Academy of Management Executive* 7 (2) pp. 57-60

Chabris, C. & Simons, D. (2010). *The Invisible Gorilla: And Other Ways Our Intuitions Deceive Us*. New York: Crown Archetype.

Chambers, H. E. (2004). *My Way or the Highway - The Micromanagement Survival Guide*. San Franscisco: Berrett Koehler Publishers.

Chatterjee, R. & Meeks, G. (1996). 'The Financial Effect of Takeover: Accounting Rates of Return and Accounting Regulation.' *The Journal of Business and Finance* 23 (5) pp. 851-868

Chia, R. (1996a). *Organizational Analysis as Deconstructive Practice*. Berlin: De Gruyter.

Chia, R. (1996b). 'The Problem of Reflexivity in Organizational Research: Towards a Postmodern Sceince of Organization' *Organization* 3 (1) pp. 31-59

Chia, R. (1998). 'From complexity science to complexity thinking: Organization and simple location' *Organization* 5 (3) pp. 341-369

Christensen, C. M., Alton, R., Rising, C. & Waldeck, A. (2011). 'THE BIG IDEA - The New M&A Playbook - Learn the difference between deals that boost performance and those that transform your growth prospects' *Harvard Business Review* March (1) pp. 48-60

Clandinin, D. J. & Connelly, F. M. (2000). *Narrative Inquiry: Experience and Story in Qualitative Research*. San Francisco: Jossey-Bass Publishers.

Clifford, J. & Marcus, G. E. (1986). *Writing Culture: The Poetics and Politics of Ethnography*. University of California Press.

Coase, R. H. (1990). *The Firm, the Market, and the Law*. Chicago: University Of Chicago Press

Coase, R. H. (2006). 'The Problem of Social Cost' *Journal of Business Finance & Accounting* 23 (6) pp. 1-44

Cohen, M. S., Freeman, J. T. & S., W. (1996). 'Meta-recognition in time stressed decision making: Recognizing, critiquing, and correcting' *Human Factors* 38 (2) pp. 13

Collini, S. (2012). *What Are Universities for*. London: Penguin Press/Classics.

Collins, G. (2003). 'The economic case for mergers: old, new, borrowed, and blue' *Journal of Economic Issues* XXXVIII (4) pp. 987-999

Collins, J. (2001). *Good to Great*. New York: Harper Business.

Cosh, A. D. & Guest, P. M. (2001). 'The long-run performance of hostile and friendly takeovers' *CBR Centre for Business* 215 (1) pp. 1-56

Coyne, K. P., Clifford, P. G. & Hall, S. J. D. (1997). 'Is Your Core Competence a Mirage' *The McKinsey Quarterly* 1 (16) pp. 42-44

Coyne, K. P., Hitt, M. A., Clifford, P. G. & Nixon, R. D. (1999). *Strategic Dynamic Resources: Development, Diffusion, and Integration*. New York: Wiley.

Cunliffe, A. L. (2003). 'Reflexive inquiry in organizational research: Questions and possibilities' *Human Relations* 56 (8) pp. 983-1003

Cunliffe, A. L. (2010). 'Crafting Qualitative Research: Morgan and Smircich 30 Years On' *Organizational Research Methods* 14 (4) pp. 647-673

Czarniawska, B. (1997). *Narrating the organization: Dramas of institutional identity*. Chicago: The University of Chicago Press.

De Wit, B. & Meyer, R. (2003). *Strategy: Process, Content, Context*. Andover, New Zealand: Int. Thomson Business Press.

Deetz, S. (1996). 'The positioning of the researcher in studies of organizations: De-Hatching literary theory' *Journal of Management Inquiry* 5 (4) pp. 387-341

DePamphilis, D. (2009). *Mergers, Acquisitions, and Other Restructuring Activities, Fifth Edition: An Integrated Approach to Process, Tools, Cases, and Solutions*. San Diego: Academic Press Advanced Finance.

Deutch, D. (1998). *The Fabric of Reality: The Science of Parallel Universes--and Its Implications*. New York: Penguin Books.

Dewey, J. (1934). *A common faith*. New Haven, CT: Yale University Press.

Dickerson, A. P., Gibson, H. D. & Tsakalotos, E. (1997). 'The impact of acquisitions on company performance: Evidence from a large panel of U.K. firms' *Oxford Economic Papers* 49 (2) pp. 344-361

Duberley, J., Johnson, J. & Cassell, C. (2012). 'Philosophies Underpinning Qualitative research' In: G. Symon and C. Cassell. (eds.) Qualitative organizational research : core methods and current challenges. London: Sage Publications Ltd. pp. 544.

Easterbrook, F. & Fischel, D. R. (1996). *The Economic Structure of Corporate Law*. Harvard: Harvard University Press.

Elias, N. (1939). *The Civilizing Process*. Oxford: Blackwell.

Elias, N. (1970). *What is sociology*. New York: Colombia University Press.

Elias, N. (1984). *What Is Sociology (European Perspectives: a Series in Social Thought and Cultural Ctiticism)*. New York: Columbia University Press.

Elias, N. (1991). *The Society of Individuals*. London: Continuum.

Elias, N. & Scotson, J. L. (1994). *The Established and the Outsiders: A Sociological Enquiry into Community Problems (Theory, Culture and Society Series)*. London: SAGE Publications Ltd.

Ember, C. R. & Ember, M. (2008). *Human Culture: Highlights of Cultural Anthropology*. Pearson/Prentice Hall.

Engholm, P. (2001) *The controversy between modernist and postmodernist views of management science: Is a synergy possible?* [Online], Available: **http://www.x-konsult.se/academia/Essaymgc1.htm** [15 Nov, 2012].

Esther, C. & Green, M. (2004). *Making Sense of Change Management: A Complete Guide to the Models, Tools and Techniques of Organizational Change Management*. London: Kogan Page Business Books.

Faber, B. (1998). 'Toward a rhetoric of change' *Journal of Business and Technical Communication* 12 (2) pp. 217-243

Fama, E. & Jensen, M. (1983). 'Separation of Ownership and Control' 26 (5) pp. 301-325

Feltham, G. & Ohlson, J. A. (1995). 'Valuation and clean surplus accounting for operating and financial activities, contemporary accounting research' *Centre for Business Research* 11 (5) pp. 689-731

Fernstrum, J. (2004). *M&A Professinals – Fair Market Value [online], available from*. Accessed 2 May 2010, **http://www.m-apros.com/702.html:** pp.

Ferraz, J. C. & Hamaguchi, N. (2002). 'Introduction: M&A and Privatization in Developing Countries' *The Developing Economies* XI-4 (Dec) pp. 383-399

Ferrier, J. (1998). *An investigation into the diffusion of innovation in technical and further education: Implementing e-mail through action research*. Faculty of Education. Melbourne, Deakin University. PhD: pp. 376.

Fetterman, D. M. (2009). *Enography: Step-by-Step (Applied Social Research Methods)*. London,Los Angeles,New Delhi. Sage Publications, Inc.

Fischer, D. H. (1970). *Historians' Fallacies: Toward a Logic of Historical Thought* New York: Routledge & Kegan Paul PLC

Fonseca, J. (2002). *Complexity and Innovation in Organizations*. London: Routledge

Fortune, J. & White, D. (2004). 'Framing of project critical success factors by a systems model' *International Journal of Project Management* 24 (1) pp. 53-65

Frankel, M. E. S. (2005). *Mergers and Acquisitions Basics : The Key Steps of Acquisitions, Divestitures, and Investments*. Hoboken: Wiley.

Franks, J., Mayer, C. (1996). 'Hostile takeovers and the correction of managerial failure' *Journal of Financial economics* 40 (2) pp. 163-181

Franks, J. R., Harris, R. S. & Mayer, C. (1988). 'Means of payment in takeovers: Results for the United Kingdom and the United States ' *Journal of Finance* 51 (6) pp. 1227-1246

Friedman, A. & Gibson, R. (1988). 'Phillip Morris Co. is bidding $90 a share for Kraft Inc. in $11 billion tender offer' *Wall Street Journal* 1 (2) pp. 3-4

Friedman, M. (1953). 'The Methodology of Positive Economics ' *Economics* 3 (16) pp. 30-43

Froud, J., Haslam, C., Johal, S. & Williams, K. (2000). 'Restructuring for Shareholder Value and Its Implications for Labour' *Cambridge Journal Economics* 24 (3) pp. 771-797

Fry, R. E., Whitney, D., Seiling, J. G. & Barrett, F. (2001). *Appreciative Inquiry and Organizational Transformation: Reports from the Field*. Westport CT: Praeger.

Gadiesh, O., Ormiston, C., Rovit, S. & Critchlow, J. (2001). 'The ‘why’ and ‘how’ of merger success' *European Business Journal* 13 (4) pp. 187-193

Galbraith, J. K. & Hale, T. (2004). *Income Distribution and the Information Technology Bubble*. Texas: University of Texas.

Galunic, D. C. & Rodan, S. (1998). 'Resource Recombinations in the Firm: Knowledge Structures and the Potential for Schumpeterian Innovation' *Strategic Management Journal* 19 (12) pp. 1193-2001

Gardiner, P. (2055). *Project Management: A Strategic Planning Approach*. New York: PALGRAVE MACMILLAN.

Garfinkel, H. (2002). *Ethnomethodology's Program*. Lanham, Maryland: Rowman & Littlefield Publishers.

Gaughan, P. A. (2002). *Mergers, Acquisitions, and Corporate restructuring*. New York: John Wiley & Sons, Inc.

Geisst, C. R. (2004). *Deals of the Century*. Hoboken: John Wiley & Sons.

Gillespie, A. (2006). *Becoming other: from social interaction to self-reflection*. Charlotte, N. Carolina: Information Age Publishing

Goergen, M. & Renneboog, L. (2004). 'Shareholder Wealth Effects of European Domestic and Cross-Border Takeover Bids' *European Financial Management* 10 (1) pp. 9-45

Golbe, D. L., and L.J. White (1993). 'Catch a Wave: The Time Series Behavior of Mergers' *Review of Economics and Statistics* 75 pp. 493-497

Goldberg, S. R. & Godwin, J. H. (2001). 'Your merger: Will it really add value?' *Journal of Corporate Accounting & Finance* 12 (2) pp. 27-35

Goldsmith, W. & Clutter, B. D. (1984). *The Winning Streak*. London: Weidenfeld & Nicholson.

Graham, B. & Zweig, J. (2003). *The Intelligent Investor: The Definitive Book on Value Investing. A Book of Practical Counsel*. New York: Harper Business Essentials.

Griffin, D. (2002). *The Emergence of Leadership*. London and new York: Routhledge.

Griffin, D. (2006). 'Editors Discussions Of the Readings In Part Three' In: R. MacIntosh, D. MacLean, R. D. Stacey and D. Griffin. (eds.) *Complexity and Organization - Readings and Conversation*. London and New York: Routledge.

Griffin, D. & Stacey, R. D. (2005). *Complexity and the Experience of Leading Organizations*. Abingdon and New York: Routledge.

Guba, E. G. & Lincoln, Y. S. (1989). *Fourth Generation Evaluation*. SAGE Publications.

Hagberg, R. (2003). *Building Culture of Choice: Why Culture Assessment fail*, Hagberg Consulting Group: pp.

Hamel, G. (1991). 'Competition for competence and inter-partner learning within international strategic alliances.' *Strategic Management Journal* 12 (1) pp. 83-103

Hamel, G. (2007). *The Future of Management*. Harvard: Harvard Business School Press.

Hamel, G. & Prahalad, C. K. (1990). 'The Core Competence of the Corporation ' *Harvard Business Review* 68 (3) pp. 79-93

Haralambos, M., Heald, R. M. & Holborn, M. (2004). *Sociology Themes and Perspectives*. London: Collins Educational.

Harrison, J., Hitt, M., Hoskisson, R. & Ireland, R. D. (1991). 'Synergies and post Acquisition Performance: Differences Versus Similarities in Resources Allocations' *Journal of Management* 17 (1) pp. 173-190

Haspeslagh, P. & Jemison, D. (1991). *Managing Acquisitions: Creating Value Through Corporate Renewal*. Oxford: Simon & Schuster.

Hatch, M. J. (1996). 'The role of the researcher: An analysis of narrative position in organization theory' *Journal of Management Inquiry* 5 (4) pp. 359-374

Haynes, C. (2012). 'Reflexivity in Qualitative Research' In: G. Symon and C. Cassell. (eds.) Qualitative Organizational Research: Core Methods and Current Challenges. London: SAGE Publications.

Heikkilä, J. & Cordon, C. (2002). 'Outsourcing: a core or non-core strategic management decision?' *Strategic Change* 11 (4) pp. 183-193

Herman, E. & Lowenstein, L. (1988). *Knights, Raiders, and Targets: The Impact of the Hostile Takeover*. New York: Oxford University Press.

Hertz, N. (2002). *The Silent Takeover: Global Capitalism and the Death of Democracy*. New York: HarperBusiness.

Higgins, D., Maltby, J. & Toms, S. (2007). *The Origins and Evolution of the Market for Corporate Control in Britain, 1950-2005*. Management Studies. University of York, st27@york.ac.uk: pp.

Higson, C. (1998). 'Goodwill' *British Accounting Review* 30 (3) pp. 141-158.

Hoang, T. & Lapumnuaypon, K. (2007). *Critical Success Factors in Merger & Acquisition Projects*. Umea, Umea School of Business. Masters Thesis: pp. 101.

Hodgson, G. (2007). *Institutional Economics: Advice to Student*. F. AZADEGAN. at Uni of Hertfordshire: pp. 1-2 (E-mail 8 May).

Hodgson, G. M. (1992). 'Thorstein Veblen and Post- Darwinian Economics' *Cambridge Journal Economics* 16 (3) pp. 285-301

Hodgson, G. M. (1993). 'Economics and Evolution: Bringing Life Back into Economics ' *Cambridge: Polity Press* 8 (2) pp. 127-135

Hodgson, G. M. (2001). *How Economics Forgot History: The Problem of Historical Specificity in Social Science*. London and New York: Routledge.

Hodgson, G. M. (2009). *Complexity, Habits and Evolution* SAGE Handbook of Complexity and Management. University of Hertfordshire, SAGE: pp.

Hodgson, M. G. (1999). *Evolutions and Institutions: On Evolutionary Economics and the Evolution of Economics*. Cheltenham: Edward Elgar Publishing.

Hofstede, G. (1980). *Cultures consequences: international differences in work related values*. Beverly Hills: Sage.

Homburg, C. & Bucerius, M. (2006). 'Is speed of integration really a success factor of mergers and acquisitions? An analysis of the role of internal and external relatedness' *Strategic Management Journal* 1 (27) pp. 347-367

Hubbard, R. G. a. D. P. (1999). ' A Re-Examination of the Conglomerate Merger Wave in the 1960s:An Internal Capital Markets View' *Journal of Finance* 54(3) pp. 1131-52

Hui, P. (2000). 'Danish GN Nettest Acquires French Photonetics in Billion-Dollar Deal. Fiber Optic Business' *Fiber optics business newsletter* 16 (1) pp. 36-37

Hunt, J. (1990). 'Changing Patterns of Acquisition Behaviour in Takeovers and the Consequences for the Acquisition Process' *Strategic Management Journal* 11 (1) pp. 69-77

Illouz, E. (2012). *Why Love hurts*. Cambridge: Polity Press.

Ingham, H., Kran, I. & Lovestam, A. (2007). 'Mergers and Profitability: A Managerial success Story?' *Journal of Management Studies* 29 (2) pp. 195-208

Inkpen, A. (1998). 'learning, knowledge Acquisition and Strategic Alliances' *European Management Journal* 16 (2) pp. 223-229

Ironside, P. M. (2005). *Beyond Method: Philosophical Conversations In Healthcare Research And Scholarship*. University of Wisconsin Press.

Ishikawa, T. (2009). *How I Caused the Credit Crunch*. London: Icon Books Ltd.

Janssen, C. & Wagner, C. (1999). *Organic Growth. Acquistions and Mergers*, Investopedia: pp.

Jenkins, R. (2008). *Social identity*. London: Routledge.

Jensen, M. (1986). 'Agency costs of free cash flow, corporate finance, and takeovers' *American Economic Review* 76 (1) pp. 323-329

Jensen, M. & Ruback, R. (1983). 'The Market for Corporate Control: The Scientific Evidence' *Journal of Financial Economics* 11 (1) pp. 45-50

Jensen, M. C. & Meckling, W. H. (1976). 'Theory of the Firm: Managerial Behaviour, Agency Costs and Capital Structure' *Journal of Financial Economics* 3 (1) pp. 303-360

Jensen, M. C. & Meckling, W. H. (1996). 'Specific and General Knowledge and Organizational Structure' *Knowledge Management and Organizational Design* 14 (1) pp. 17-38

Jensen, M. C. & Ruback, R. (1986). 'Market for Corporate Control' *AEA Papers and Proceedings* 76 (2) pp. 146-158

Jensen, M. C. & Ruback, R. S. (1983). 'The Market for Corporate Control' *Journal of Financial Economics* 11 pp. 5-50

Jensen, M. C. & Smith, C. W. (1984). *The Modern Theory of Corporate Finance*. New York: McGraw-Hill.

Joas, H. (2001). *The Genesis of Values*. Chicago: University Of Chicago Press.

Johnson, P. & Duberley, J. (2000). *Understanding Management Research: An Introduction to Epistemology*. London: Sage.

Kale, P. & Singh, H. (2009). 'Managing strategic alliances: What do we know now, and where do we go from here?' *Academy of Management Perspectives* 29 (1) pp. 45-62

Kaletsky, A. (2010). *Capitalism 4.0: The Birth of a New Economy in the Aftermath of Crisis*. New York: PublicAffairs.

Kaplan, M. A. (2007) *Mergers and Acquisitions*. [Online], Available: **http://www.jdsu.com/index.cfm?pagepath=Company/Mergers_and_Acquisitions&id=1842]**.

Kaplan, S. (2000). *Mergers and Productivity*. Chicago: University of Chicago Press.

Kaplan, S. N. & Weisbach, M. S. (1992). 'The Success of Acquisitions: Evidence from Divestitures' *Journal of Finance* 47 (March) pp. 107-148

Karim, S. & Mitchell, W. (2000). 'Reconfiguring Business Resources following Acquisitions in the U.S Medical Sector 1978-1995' *Strategic Management Journal, Special Issue on the Evolution of Business Capabilities)* 21 (3) pp. 1061-1081

Kay, J. (1996). *Poor odds on the takeover lottery* Financial Times. London: pp. 26 Jan, P.23.

Kay, J. (1999). *Mastering Strategy: Resource Based Strategy* Financial Times. London: pp. 27 Sept, P.17.

Kay, J. (2000). 'If stock picking fails to beat the index, why should picking companies? ' *Financial Times* pp. 31 May, P.18

Kay, J. (2001). *Choice as control* Financial Times: pp.

Kay, J. (2002). 'Lessons from Marconi' *Financial Times,* pp. Jan 29 2002

Kay, J. (2002) *Philosophy: The resource based theory of strategy*. [Online], Available: **http://www.johnkay.com/about/** [26 Mar, 2006].

Kay, J. (2004). *Second Hand Firms*. Financial Times: pp. 15 Jun, P.24.

Kay, J. (2007). *Climate change: the (Groucho) Marxists approach*. Financial Times. 28 Nov: pp. P.26.

Kay, J. (2007) *Dreams are no basis for a sound corporate strategy* [Online], Available: **http://www.johnkay.com/industries/489** [20 March, 2007].

Kay, J. (2007) *Philosophy: The resource based theory of strategy*. [Online], Available: **http://www.johnkay.com/about/** [26 Mar 2007, 2007].

Kay, J. (2007) *A triumph of hope over experience*. 15 Nov, P.16 DOI:

Kay, J. (2009). *Beauty in markets is best judged by the beholder*. Finacia Times. 3 Jun: pp. P.33.

Kay, J. (2010). *Beware the cult of the heroic chief executive*. Financial Times. London. 9 Jun: pp. P.14.

Kay, J. (2010). *Don't expect markets to bend it like Beckham*. Finacia Times. 1 Dec: pp. P.17.

Kay, J. (2010). *Don't expect markets to bend it like Beckham*. Financial Times.

Kay, N. M. (1984). *The Emergent Firm: Knowledge, Ignorance and Surprise in Economic Organisation*. London: MacMillan.

Keeley, T. D. (2001). *International human resource management in Japanese firms: the greatest challenge*. New York: Houndmills Basingstoke Palgrave Macmillan.

Kerr, E. (1997). *Mergers, Acquisitions or New Companies*. Financial Management Study Notes: 54, University of Hertfordshire: pp.

Keynes, J. M. (1932). *Essays In Persuasion*. New York: Harcourt, Brace & Co.

Kindleberger, C. P. (2005). *Manias, Panics, and Crashes: A History of Financial Crises*. New York: Wiley.

King, D. R., Dalton, D. R., Daily, C. M. & Covin, J. G. (2003). 'Meta-analyses of post-acquisition performance: indications of unidentified moderators' *Strategic Management Journal* 25 (2) pp. 187-200

Klein, G., Moon, B. & Hoffman, R. F. (2006). 'Making sense of sensemaking Ii: a macrocognitive model' *Intelligent Systems* 21 (5) pp. 88-92

Klein, P. G. & Klein, S. K. (2001). 'Do Entrepreneurs Make Predictable Mistakes?' *Quarterly Journal of Austrian Economics* 4 (2) pp. 3-25.

Kolb, A. Y. & Kolb, D. A. (2005). *The Kolb Learning Style Inventory – Version 3.1*, Haygroup: Experience Based Learning Systems Inc: pp. 1-43.

Kotter, J., P., (1979). *Power in Management*. New York: Amacom Publishers-USA.

Kovach, M. E. (2010). *Indigenous Methodologies: Characteristics, Conversations, and Contexts*. University of Toronto Press, Scholarly Publishing Division.

Kramer, H. (2011). *2011 Will Be The Year Of M&A* Forbes Business Magazine. 28 Dec: pp. 2-4.

Kregel, J. (2008). 'MINSKY'S CUSHIONS OF SAFETY : Systemic Risk and the Crisis in the U.S. Subprime Mortgage Market' *The Levy Economics Institute of Bard College* 93 (2) pp. 1-32

Kubler-Ross, E. (1969). *On Death and Dying*. New York: Routledge.

Kubler-Ross, E. (2005). *On Grief and Grieving: Finding the Meaning of Grief Through the Five Stages of Loss*. Simon & Schuster Ltd.

Kyvik, O. (2011). *'Cultural Complexities in Cross Border Mergers & Acquisitions'* 1 , e-book 36 pages

Laamanen, T. & Keil, T. (2008). 'Performance of serial acquirers: Toward an acquisition program perspective' *Strategic Management Journal* 29 (1) pp. 663-672

Lajoux, A. R. (2000). *The Art of M&A Due Diligence*
McGraw-Hill.

Latour, B. (1988). 'The Politics of Explanation: an Alternative ' In: S. Woolgar. (eds.) Knowledge and reflexivity: new frontiers in the sociology of knowledge. Sage. pp. 155-76.

Lawson, T. (1997). *Economics and Reality*. London and New York: Routledge.

Leary, M. R. & Tangney, J. P. (2003). *Handbook of Self and Identity*. New York: Guilford Press.

Leonard-Barton, D. (1997). 'Wellsprings of knowledge' *McKinsey Quarterly* 8 (1) pp. 40-54

Lerbinger, O. (2005). *Corporate Public Affairs: Interacting With Interest Groups, Media, And Government* Mahwah, New Jersey, London: Lawrence Erlbaum Associates.

Levine, R. V. (2003). *The Power of Persuasion: How We're Bought and Sold*. New York: Wiley.

Lieblich, A. & Josselson, R. (1997). *The Narrative Study of Lives*. SAGE Publications.

Lincoln, S. Y. (1995). 'Emerging Criteria for Quality in Qualitative and Interpretive Research' *Qualitative Inquiry* 1 (3) pp. 275-289

Lorenz, C. (1986). *Takeovers- at best an each way bet*. Financial Times, 6th January,. London. 6 Jan: pp. 12.

Loughran, T. & Vijh, A. M. (1997). 'Do Long Term Shareholders Benefit from Corporate Acquisitions?' *Journal of Finance* 52 (1) pp. 1765-1800

Lubatkin, M. (1983). 'Mergers and the Performance of the Acquiring Firm' *Academy of Management Journal* 8 (2) pp. 218-225

Lubatkin, M. (1987). 'Merger strategies and stockholder value' *Strategic Management Journal* 8 (1) pp. 39-56

Lubatkin, M. & Shrieves, M. (1986). 'Towards Reconciliation of Market Performance Measures to Strategic Management Research' *Academy of Management Review* 11 (3) pp. 497-518

Lucas, L. (2012). *Spending on M&A often wasteful*. Financial Times. London, Financial Times. 17 Apr: pp. 23-24.

Lynch, M. (2000). 'Against Reflexivity as an Academic Virtue and Source of Privileged Knowledge' *Theory, Culture and Society* 17 (3) pp. 26-54

Lynch, M. & Peyrot, M. (1992). 'Introduction: A reader's guide to ethnomethodology' *Qualitative Sociology* 15 (2) pp. 113-122

MacIntosh, R., MacLean, D., Stacey, R. & Griffin, D. (2006). *Complexity and Organization*. New York: Routledge.

Maddigan, R. & Zaima, J. (1985). 'The Profitability of Vertical Integration' *Managerial and Decision Economics* 6 (3) pp. 178–179

Madison, D. S. (2005). *Critical Ethnography: Method, Ethics, and Performance*. New York: SAGE Publications.

Mandelker, G. (1974). 'Risk & Return: The Case of Merging Firms' *Journal of Financial Economics* 1 (1) pp. 303-335.

Manne, H. G. (1965). 'Mergers and the market for corporate control' *Journal of Political Economy* 3 (1) pp. 693-706

Manson, S., Powell, R., Stark, A. W. & Thomas, H. M. (2000). 'Identifying the sources of gains from takeovers' *Accounting Forum* 4 (2) pp. 48-54

Maremont, M. & Mitchell, R. (1988). *Pillsbury could be a Grand Coup for Grand Met'*. Business Week. 17 October: pp. 30-32.

Markides, C. & Oyon, D. (1998). 'International Acquisitions- Do they Create Value for Shareholders?' *European Management Journal* 16 (2) pp. 125-135

Marshall, A. (1919). *Industry and Trade*. London Macmillan.

Martin, J. & McConnell, J. (1991). 'Corporate performance, corporate takeovers and management turnover' *Journal of Finance* 2 (1) pp. 671-687

Martynova, M. & Renneboog, L. (2005). 'Takeover Waves: Triggers, Performance and Motives' *Journal of Banking & Finance* 32 (10) pp. 2148-2177

Massoud, M. & Raiborn, C. (2004). 'Accounting for Goddwill: Are we Better Off?' *Business review* 24 (2) pp. 26-32

Matsusaka, J. G. (2001). 'Corporate Diversification, Value Maximization, and Organizational Capabilities' *The Journal of Business* 74 (3) pp. 357-379

Mead, G. H. (1934). *Mind, Self, and Society*. Chicago: University of Chicago Press.

Meeks, G. (1977). *Disappointing Marriage: A Study of the Gains from Merger*. Cambridge: Cambridge University Press.

Merchant, K., C. Chow, and A. WU (1995). 'Measurement, Evaluation and Reward of Profit Center Managers: A Cross-Cultural Field Study' *Accounting, Organizations and Society 20/7-8* pp. 619-638

Mintzberg, H. (1993). *The Illusive Strategy ... 25 Years Later*, JAI Press. 3: pp. 40.

Mintzberg, H. & Waters, J. A. (1985). 'Of Strategies, Deliberate and Emergent' *Strategic Management Journal* 6 (2) pp. 257-272

Mises, L. V. (1949). *Human Action: A Treatise on Economics*. Chicago: Fox & Wilkes.

Morck, R., Shleifer, A. & Vishny, R. (1988). 'Characteristics of targets of hostile and friendly takeovers' *Financial Research Center - Pennsylvania State University* 2295 (80) pp. 4-37

Morris, J. (2002). 'Goodwill writedowns hamper the market for mergers' *Journal of Business & Industrial Marketing* 17 (3) pp. 94-96

Mowles, C. (2011). *Rethinking Management*. Farnham: Gower Publishing Limited.

Mueller, R. K. (1970). *Risk, Survival and Power*. New York: American Management Association

Newbold, G., D., (1970). *Management and Merger Activity*. Liverpool Guthsted.

Nikolai, L. A., Bazley, J. D. & Jones, J. P. (2009). *Intermediate Accounting*. Mason-OH: South-Western College Pub.

Noble, D. (2009). *Doctor of Management and PhD research*. Student at Hertfordshire, E-mail to Farshid: pp. 2-3.

North, D. C. (1990). *Institutions, Institutional Change and Economic Performance* Cambridge: Cambridge University Press.

Ormerod, P. (2007). *Why Most Things Fail: Evolution, Extinction and Economics*. London: Wiley.

Orr, J. (1990). *Collective Remembering*. London: Sage.

Paltridge, B. (2007). *Discourse Analysis: An Introduction*. Bloomsbury.

Parsons, T. (1967). *The Structure of Social Action*. New York: EUA Free Press.

Pascale, R. T. (1990). *Managing on the Edge: How Successful Companies Use Conflict to Stay Ahead*. London: Viking Penguin.

Paulson, E. (2001). *The Technology M&A Guidebook*. New York: Wiley.

Penman, S. H. (2000). *Financial Statement Analysis and security valuation*. New York: McGraw-Hill Irwin.

Penrose, E. (1959). *The Theory of the Growth of the Firm*. Oxford: Oxford University Press.

Peters, T. J. & Waterman, R. H. (1982). *In Search of Excellence*. New York: Harper & Row.

Peverelli, P. (2009). *Chinese Corporate Identity*. New York: Routledge.

Pike, R. & Neale, B. (1998). *Corporate Finance and Investment*. London: Prentice-Hall.

Pitelis, C. N. & Wahl, M. W. (April 1990). 'Edith Penrose: Pioneer of the Stakeholder Theory' *Long Range Planning* 31 (2) pp. 252-261

Porter, M. E. (1987). 'From Competitive Advantage to Corporate Strategy' *Harvard Business Review* 65 (3) pp. 285-293

Putterman, L. & Kroszner, R. S. (1996). *The Economic Nature of the Firm*. Cambridge: Cambridge University Press.

Pyndt, J. & Pedersen, T. (2006). *Managing Global Offshoring Strategies: A Case Approach*. Copenhagen Copenhagen Business School Press.

Rappaport, A. (1986). *Creating Shareholder Value: The new standard for business performance*. New York: Free Press, A division of Simon & Schuster.

Ravenscraft, D. & Scherer, M. (1987). *Mergers, Selloffs, and Economic Efficiency*. Washington DC: Brookings Institution, .

Reason, P. & Bradbury, H. (2002). 'Action Research - An Opportunity for Revitalizing Research Purpose and Practices' *Qualitative Social Work* 2 (2) pp. 155-175

Rieck, O. (2002). 'Value Creation in International Telecom Acquisitions' *Journal of International Business Studies* 40 (2) pp. 1317–1338

Riessman, C. K. (1993). *Narrative Analysis (Qualitative Research Methods)*. New York: Sage Publications, Inc.

Ritzer, G. (2007) *Postmodern Social Theory*. [Online], Available: **http://en.citizendium.org/wiki/Talcott_Parsons#_ref-0** [11 July 2009, 2009].

Rivkin, J. W. (2000). 'Imitation of Complex Strategies' *Management Science* 46 (6) pp. 824-845

Roe, M. J. (2002). *Takeover Politics In The Deal Decade*. Washington DC: The Brookings Institution.

Roll, R. (1986). 'The Hubris Hypothesis of Corporate Takeovers' *Journal of Business* 59 (2) pp. 197-216

Rosch, E. & Lakoff, G. (1978). *Cognition and Categorization*. Michigan: University of Michigan.

Rosson, P. & Brooks, M. R. (2002). *Who Are We Now? M&As and Corporate Visual Identity*: pp. downloaded 1-17 on 8 May 2011.

Rothaermel, F. T., Hitt, M. A. & Jobe, L. A. (2006). 'Balancing vertical integration and strategic outsourcing: effects on product portfolio, product success, and firm performance' *Strategic Management Journal* 27 (11) pp. 1033–1056

Rottig, D. (2007). 'Successfully Managing International Mergers and Acquisitions: A Descriptive Framework' *International Business: Research Teaching and Practice* 1 (1) pp. 97-119

Russo, A. & Perrini, F. (2006). 'The Real Cost of M&A Advice' *European Management Journal* 24 (1) pp. 49-58

Rutherford, M. B. (2001). 'Intitutionalism: Then and Now' *Journal of Economic Perspectives* 15 (2) pp. 173-194

Samsup, J. & Shimb, S. W. (2005). 'Paradigm shift of employee communication: The effect of management communication on trusting relationships' *Public Relations Review* 31 (2) pp. 277-280

Scherer, F. M. (1988). 'Corporate Takeovers: The Efficiency Arguments' *Journal of Economic Perspective 2* pp. 69-82

Schneper, W. D. & Guillén, M. F. (2004). 'Stakeholder Rights and Corporate Governance: A Cross-National Study of Hostile Takeovers' *Administrative Science Quarterly* 1 (1) pp. 1-67

Schrader, D. E. (2007). *The Corporation as Anomaly*. Cambridge: Cambridge University Press.

Schwert, W. (2000). 'Hostility in takeovers: In the eyes of the beholder? ' *Journal of Finance* 55 (6) pp. 2599-2640

Scott, J. C. (1992). *Domination and the Arts of Resistance: Hidden Transcripts*. Michigan: Yale University Press.

Scott, J. C. (1999). *Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed*. Binghampton-NY: Vail-Ballou Press.

Scullion, H. & Linehan, M. (2005). *International Human Resource Management*. London: Palgrave Macmillan.

Searle, J. R. (1997). *The Construction of Social Reality*. New York: The Free Press.

Seebohm, T. M. (2005). *Hermeneutics. Method and Methodology*. Springer.

Sennett, R. (2000). *The Corrosion of Character: The Personal Consequences of Work in the New Capitalism*. London & NW: W.W. Norton & Co.

Sennett, R. (2006). *The Culture of the New Capitalism*. New Haven & London: Yale University Press.

Sennett, R. (2012). *Together: The Rituals, Pleasures and Politics of Cooperation*. New Haven & London: Yale University Press.

Seo, M. & Hill, N. S. (2005). 'Understanding the Human Side of Merger and Acquisition, An Integrative Framework' *Journal of Applied Behavioral Science* 41 (4) pp. 422-443

Servaes, H. (1991). 'Tobin's Q and the gains from takeovers' *Journal of Finance* 46 (1) pp. 409-419

Seth, A., Song, K. P. & Pettit, R. (2000). 'Synergy, Managerialism Or Hubris? An Empirical Examination of Motives for Foreign Acquisition of US Firms' *Journal of International Business Studies* 31 (3) pp. 387-405

Shaw, P. (2002). *Changing the Conversation*. London: Routledge.

Shi, W. & Prescott, J. E. (2011). 'Sequence patterns of firms' acquisition and alliance behavior and their performance implications' *Journal of Management Studies* 1 (48) pp. 1044-1070

Shi, W. S., Sun, J. & Prescott, J. E. (2012). 'A Temporal Perspective of Merger and Acquisition and Strategic Alliance Initiatives: Review and Future Direction' *Journal of Management* 38 (1) pp. 164-209

Shimizu , K., Hitt, M., Vaidyanath, D. & Pisano, V. (2004). 'Theoretical foundations of cross-border mergers and acquisitions: a review of current research and recommendations for the future' *Journal of International Management* 10 (3) pp. 307-353

Shleifer, A. & Summers, L. (1988). *Breach of trust in hostile takeovers, causes and consequences*. Chicago: University of Chicago Press.

Shusterman, T. G., Norsworthy, J. R. & Bessler, W. (2000). 'Stock Market Reaction to the Announcement of Mergers and Acquisitions in the U.S. Telecommunications Industry' *Institute of Electrical and Electronics Engineering* 1 (1) pp. 446-452

Silver, D. (1990). *The Inside Raider Take Over Your Business from Within*. Michigan: Harper Business.

Simon, R. I. & Dippo, D. (1986). 'On critical ethnographic work' *Anthropology & Education Quarterly* 17 (4) pp. 195-202.

Singh, A. (1971). *Take-overs: Their Relevance to the Stock Market and the Theory of the Firm*. London: Cambridge University Press.

Sirower, M. L. & O'Byrne, S. F. (1998). 'The measurement of post-acquisition performance: Toward a value-based benchmarking methodology' *Journal of Applied Corporate Finance* 11 (1) pp. 107-121

Smith, A. (1976). *Inquiry into the Nature and causes of the wealth of nations*. London: Methuen.

Snowden, D. (1999). 'Story telling for the capture and communication of tacit knowledge' *Business Information Review* 1 (2) pp. 32

Somers, M. R. (1994). 'The narrative constitution of identity: A relational and network approach ' *Theory and Society* 23 pp. 605-649

Spaeth, T. (2002). 'The Name Game' *Publich Affairs Across the Board* 39 (March-April) pp. 27-31

Spencer, L., Ritchie, J., Lewis, J. & Dillon, L. (2003). *Quality in Qualitative Evaluation: A framework for assessing research evidence*, Report from the Cabinet Office, UK: pp. 20.

Sperling, M. O. (2010) *Does cash burn holes in their pockets? – Cash-rich acquirers & method of payment in M&A*. Social Science Research Network 27 Sept 2011, 95 pages DOI:

Spiers, T. (2007). *Merging and demerging in Organisations: Transforming identities*. Business School. Hertfordshire, Hertfordshire. Doctor of Management Thesis: pp. 314.

Springsteel, I. (1997). *The Goodwill Games , Pooling of interests in mergers and acquisitions may be problematic, but so is the alternative*. CFO Magazine. 1 September 1997: pp. 1-4.

Stacey, R. (2003c). 'Learning as an activity of interdependent People' *The Learning Organization* 10 (6) pp. 325-331

Stacey, R. (2005). 'Organizational Identity: The Paradox of continutiy and potentail for transformation at the same time' *Group Analysis* December (4) pp. 477-494

Stacey, R. (2010) *The Demand for Management Tools and Techniques*. Complexity & Management Centre, 15 DOI:

Stacey, R. & Griffin, D. (2005). *A Complexity Perspective on Researching Organisations*

Abingdon: Routledge.

Stacey, R. D. (1996). *Complexity and Creativity in Organizations*. San Francisco: Berrett-Koehler Publishers.

Stacey, R. D. (2000). *Strategic Management and Organisational Dynamics: The Challenge of Complexity*. Harlow: Pearson Education Limited.

Stacey, R. D. (2001). *Complex Responsive Processes in Organisations: Learning and Knowledge Creation*. London: Routledge.

Stacey , R. D. (2003). *Complexity and Group Processes: A Radically Social Understanding of Individuals*. Publisher: Brunner-Routledge.

Stacey, R. D. (2010). *Complexity and Organizational Reality: Uncertainty and the need to rethink management after the collapse of investment capitalism*. London and New York: Routledge.

Stacey, R. D. (2012). *Tools and Techniques of Leadership and Management: Meeting the Challenge of Complexity* London & New York.

Stacey, R. D. & Griffin, D., Eds. (2005). *A Complexity Perspective On Researching Organizations: Taking Experience Seriously*. London and New York, Routledge.

Stacey, R. D. & Griffin, D. (2008). *Complexity and the Experience of Values, Conflict and Compromise in organizations*. London: Routledge.

Stacey, R. D., Griffin, D. & Shaw, P. (2000). *Complexity and Management: Fad or Radical Challenge to Systems Thinking?* London: Routledge

Stahl, G. & Mendenhall, M. (2005). *Mergers and Acquisitions: Managing Culture and Human Resources*. Stanford: Stanford Business Books.

Steup, M. (2005) *Epistemology*. The Stanford Encyclopedia of Philosophy, 1-36 DOI: **http://plato.stanford.edu/archives/win2012/entries/epistemology**

Stigler, G. (1950). 'Monopoly and Oligopoly Power by Merger' *American Economic Review 40* pp. 23-34

Streatfield, P. (2001). *The Paradox of Control in Organizations (Complexity and Emergence in Organizations)*. London: Routledge.

Subramani, M. & Walden, E. (2001). 'The Impact of E-Commerce Announcements on the Market Value of Firms' *Information System Research* 12 (2) pp. 135-154

Subramaniam, S., Anslinger, P. L. & Klepper, S. J. (1999). 'Breaking up is good to do' *THE McKINSEY QUARTERLY* 1 (1) pp. 16-43

Sudarsanam, P. S. (2003). *Creating Value from Mergers and Acquisitions. The Challenges*. Upper Saddle River, New Jersey: FT Prentice Hall.

Symon, G. & Cassell, C. (2012). *Qualitative Organizational Research: Core Methods and Current Challenges*. SAGE Publications.

Thompson, A. A. J. & Strickland III, A. J. (2002). *Strategic Management: Concepts and Cases*. New York: McGraw-Hill/Irwin.

Tichy, G. (2001). 'What Do We Know about Success and Failure of Mergers?' *Journal of Industry, Competition and Trade* 1 (4) pp. 347-394

Tracey, S. (2010). 'Qualitative Quality: Eight “Big-Tent” Criteria for Excellent Qualitative Research' *Qualitative Inquiry* 16 (10) pp. 837-851

Trautwein, F. (1990). 'Merger Motives and Merger Prescription' *Strategic Management Journal* 11 (4) pp. 283-295

Travlos, N. G. (1987). 'Corporate Takeover Bids, Methods of Payment and Bidding firms Stock Returns' *Journal of Finance* 42 (4) pp. 943-963

Turner, G. (2008). *The Credit Crunch: Housing Bubbles, Globalisation and the Worldwide Economic Crisis*. London: Pluto Press

Twedie, D. & Blanchet, J. (1990). 'Brands, Goodwill and Balancesheet' *Journal of Accountancy* 103 (114) pp. 20-22

Veblen, T. (1898). 'Why is Economics not an Evolutionary Science? ' *The Quarterly Journal of Economics* 12 (4) pp. 373-397

Very, P. & Schweiger, D. M. (2001). 'The Acquisitions Process as a Learning Process: Evidence from a Study of Cretical Problems and Solutions in Domestic and Cross-border deals.' *Journal of World Business* 36 (1) pp. 131-143

Vince, R. (2006). 'Being Taken Over: Managers' Emotions and Rationalizations During a Company Takeover' *Journal of Management Studies* 43 (2) pp. 343-365

Vos, E. & Kelleher, B. (2001). 'Mergers and Takeovers: A Memetic Approach' *Journal of Memetics:-Evolutionary Models in Information Transmission* 5 (1) pp. 10-24

Walz, C. & Hicki, C. (2004). *Controlling the Results of Mergers and Acquisitions - Methods for Measuring the M&A Success*. Heilbronn: GRIN Verlag Publications.

Warnesly, J. W., Lane, W. R. & Yang, H. C. (1987). 'Gains to Bidder Firms in Cash and Securities Transaction' *The Financial Review* 22 (4) pp. 403-414

Wasserstein, B. (2001). *Big Deal : mergers and acquisitions in the digital age*. New York: Warner Books Inc.

Weber, Y. (1996). 'Corporate cultural fit and performance in mergers and acquisitions' *Journal of Human Relations* 49 (9) pp. 1181-202

Weston, J. F. & Weaver, S. (2004). *Mergers & Acquisitions*. New York: McGraw-Hill.

Wilbrod, J. H. (2005) *Management*. [Online], Available: http://www.neavia.com/content/view/18/31/lang,en/ [15 June, 2008].

Williams, R. (2005). 'Belief, truth and justification: Issues of methodology, discourse and validity of personal narratives' In: R. D. Stacey and D. Griffin. (eds.) A Complexity Perspective on Researching Organizations, Taking Experience Seriously. London and New York: Routledge. pp. 39-71.

Williamson, O. (1968). 'Economics as an Antitrust Defence: The Walfare Trade Offs' *American Economic Review* 58 (AM) pp. 18-36

Williamson, O. (1970). *Corporate Control and Business Behaviour*. Upper Saddle River, New Jersey: Prentice Hall.

Williamson, O. (1985). 'The Economic Institutions of Capitalism: London MacMillan' pp.

Winter, S. G. (1993). *Routines, Cashflows and Unconventional Assets: Corporate Change in the 1980's*. Washington DC: The Brookings Institute.

Wodak, R. & Meyer, M. (2009). *Methods for Critical Discourse Analysis*. SAGE Publications.

Wolf, M. (2004). *Why Globalization Works*. Bolton-Minion: Yale University Press.

Yashkova, O. (2005) *Anritsu Acquires NetTest. Who Will Benefit?* . Frost & Sullivan 3, 5 DOI:

Zalewski, D. (2001). 'Corporate Takeovers, Fairness and Public Policy ' *Journal of Economic Issues* 35 (2) pp. 431-437

Zanoni, A. B. (2009). *Accounting for Goodwill*. London and New York: Routledge.