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Moving Back in with the Parents

Navigating Culture and Identity Change

by

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Abstract

Title:	Moving back in with the parents: Navigating Culture and Identity Change
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Key Words:	Change Management, Culture, Identity, Mergers and Acquisitions, Organizational Culture, Organizational Identity, Professional Identity, Reintegration
Purpose:	The main purpose of this paper is to contribute to deeper understanding of the (re)integration of startup into the parent organization and its effect on the organizational members, organizational culture and identity which adds to the overall topic of mergers and acquisitions.
Methodology:	Following an interpretive and abductive research approach allowed us to switch between theory and empirical material. Our thesis is based on 25 semi-structured interviews with employees from different departments and various hierarchal levels.
Theoretical Framework:	In our theoretical framework we outline previous research on organizational culture, identity and mergers and acquisitions
Conclusion:	Our empirical findings suggest that organizational members are one of the most important factors in the outcome of a (re)integration process. Despite of struggles, the employees in our case managed to focus on the positive and helped building the new organizational culture and identity.

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We hope you will enjoy reading our thesis and that it will provide you with a new perspective of the processes of moving back in with the parents.

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Lea Katharina Rupp and Antonija Miličević

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1 Introduction

In the first chapter of this master thesis we introduce our chosen topics. We will briefly explain the main research that has been done thus far and the reasoning for the choice of our topic. Furthermore, we will continue to describe our purpose and our research questions, which will lead to the outline of our thesis.

“Whenever you do a merge like this, you let go of a part of your DNA. And this DNA is key for the culture that you have at that moment.” (Edward, Manager)

1.1 Background and Problem Statement

Today’s fast paced and technological driven environment challenges organizations to stay competitive (Todnem By, 2005). Consequently, organizations aim to develop innovative products and/or services. However, the bureaucratic structures of large organizations might hinder their creative process and their reaction speed to market demands (Alvesson & Sveningsson, 2016). To be more competitive, more innovative and to increase agility some organizations, such as in our case the global multi-product specialist MRO-Industries, launch a startup. Contrary to MRO-Industries who serves big business clients, the startup focused on small and medium-sized businesses. Two years later, MRO-Industries made the decision to (re)integrate the startup with its about 80 employees as a digital department, called MRO-Digital, in order to drive digital change and innovation within the organization. We consolidated previous literature on the topic of mergers and acquisitions, and change about this situation. However, as our search turned up empty, we believe that context is unique and has not yet received significant attention. As this process concerned the consolidation of assets from both organizations, it can be associated with a merger situation (Tienari & Vaara, 2016; Vaara, 2001). Researchers have often highlighted the complexity of merger processes as the change does not only concern one but two or more organizational cultures (e.g. Brown & Humphreys, 2003; Weick & Quinn, 1999, p. 375; Risberg, 1997). Generally, for a merger to be successful, there should be a certain degree of compatibility between the merging cultures (Jackson, 2019). However, it is usually the more dominant organization that leads the construction of the new organizational culture and identity (van Knippenberg, van Knippenberg, Monden, & De Lima, 2002).

The topic of organizational culture has received much attention across various research disciplines and many organizations recognize its value and importance (Alvesson, 1995; Smircich 1983; Martin, 2002). It can be described as a system of interlinked beliefs, values and norms (Alvesson, 1995). A very popular concept is Schein's interconnected levels of organizational cultures which consists of artefacts, espoused values and beliefs, and basic underlying assumptions (Schein, 2010). Although the approach has been criticized for assuming a relatively stable culture, it facilitates the analysis of organizational culture (Hogan & Coote, 2013). However, if one considers organizational culture from a social constructivist perspective, culture is seen ambiguous and fluent as well as consisting of various subcultures with both overlapping and divergent values (Risberg, 1997). The researchers Martin (1992) and Risberg (1997) therefore suggest studying culture from a perspective that takes the complexities and ambiguity of organizational life into consideration. Furthermore, organizational culture is a significant element in any change process as it is constructed of shared values, beliefs and norms of organizational members (Alvesson, 1995; Alvesson & Sveningsson, 2016).

Additionally, studies agree that organizational culture is closely connected to organizational identity (Hatch, 1993; Hatch & Schultz, 1997). Culture not only supports the sensemaking process and influences behavior, motivation and commitment, it also affects the organizational members' identity (Alvesson, 2002). Contrary to organizational culture, organizational identity focuses on "how members develop, express, and project their organizational sense of self" (Hatch & Schultz, 2000, p. 23). Hence, organizational identity deals with the collective understanding of self, while individual and professional identity is centered around the personal understanding of self (Gioia, 1998; Pratt, Schultz, Ashforth & Ravasi, 2016). An important factor of the professional identity is the degree of identification of the organizational members which influences their sense of belonging, their behaviour and their self-perception (Ashforth & Mael, 1989; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). Similar to organizational culture, previous studies have viewed identity as a relatively stable concept, while contemporary literature approaches the topic by combining a social actor and social constructivist perspective to account for its complexity (Gioia & Hamilton, 2016; Ravasi & Schultz, 2006; Alvesson, Karreman & Sullivan, 2015).

During a merger process, cultural differences and the management thereof play a significant role in the outcome and has therefore received much attention (Stahl & Voigt, 2005). Extensive research has, for example, focused on potential arising problems in the post-merger integration

(e.g. Brown & Humphreys, 2003; Risberg, 1997; Weick & Quinn, 1999), cultural differences and topics around the preservation and creation of identity (Teerikangas & Very, 2006; Tienari & Vaara, 2016; Vaara & Tienari, 2011) whereas identity construction has received less attention (Tienari & Vaara, 2016). The former organizational core values thereby influence the change situation by setting boundaries to what is perceived as acceptable change by the organizational members (Canato, Ravasi & Phillips, 2013). Researchers have also recognized that mergers and connected identity processes are influenced by contextual forces that have an impact on the identity adjustment of organizational members (e.g. Riad 2005; Ullrich, Wieseke, & van Dick, 2005; Vaara, Sarala, Stahl, Björkman, 2012; Vaara & Tienari 2011; van Knippenberg et al., 2002). Hence these also play a role in creating a new organizational identity (Ashforth, Kreiner & Fugate, 2000; Drori, Wrzesniewski, & Ellis, 2013).

Employee experiences of mergers often stress the disappointment about the struggles to find common ground (Vaara, 2001). An explanation is often found in the ambiguous communication of the management (Brown & Humphrey, 2003; Dutton & Dukerich, 1991) or a lack in enforcing a feeling of continuity (Rousseau, 1998; Ullrich, Wieseke & Van Dick, 2005; van Knippenberg & van Leeuwen, 2001). Furthermore, during the merger and post-merger phase, the sensemaking processes of organizational members play an important role to influence assumptions and taken for granted beliefs of the organizational culture and identity (Dutton & Dukerich, 1991; Martin, 1992; Weick, 1995).

Linking the topics of organizational culture and identity with the unique case of the (re)integration of a startup into the parent company in the post-merger phase has provided us with the inspiration for our research. We recognize the importance of these topics in such a context and the interconnectedness of organizational culture, organizational identity and professional identity (Ravasi & Schultz, 2006).

1.2 Research Purpose and Research Questions

The purpose of this research is to gain understanding of the impact on organizational culture and identity of a (re)integration of a startup into its parent company. As mentioned, research has so far not yet focused on this context of (re)integration. As a result, although assumptions can be made, we know fairly little about how these organizations and organizational members react and if they have better conditions to a successful outcome as a certain degree of familiarity between the two cultures can be assumed. Although both companies have the same founding

organization, their organizational culture and identity seem to differ due to their maturity level as one is a corporate and the other one a startup. We are, therefore, contributing to a theoretical shortcoming in the field of mergers and acquisitions in which the (re)integration of startups into their parent organization is overlooked. Hence, this concept can be described as a new subcategory of mergers that may become part of the rapidly changing corporate environments.

As the topic of a (re)integration of a startup into the parent company has not yet received attention, we consciously chose a broad research approach that focuses on several topics and will investigate to what degree the same concepts of merger and acquisitions apply to the cultural integration and identity adjustments. We, thereby, hope to give future researchers inspiration to focus on narrower topics that provide a clearer picture of the implications such a (re)integration has on the organization itself and its organizational members. Furthermore, organizations like MRO-Industries who are experiencing such a change, might also benefit from the findings of the encountered issues and opportunities related to organizational culture and identity. Based on the rationale of the study, we will be focusing on the post-merger phase of a (re)integration of a startup into the corporate parent organization to answer the following research questions:

- *How does the (re)integration of a startup into the parent company impact its culture and identity?*
- *What role do organizational culture and identity play in this post (re)integration?*
- *How are organizational members affected and how do they contribute to the outcome of the (re)integration?*

1.3 Outline of the Thesis

The remaining thesis consists of five chapters. In the second chapter, we present our theoretical framework that will introduce existing concepts and perspectives used in the thesis. The third chapter focuses on our methodology including our data collection and data analysis approach. In chapter four, we present the collected empirical data which we have sorted by themes under which we present the most relevant interview statements. Furthermore, chapter five compares the theoretical framework with the empirical data and highlights main conformities and differences. Lastly, our final chapter concludes our findings in connection to our research questions and elaborates on theoretical contributions, future research possibilities, practical implications and limitations of this study.

2 Theoretical Framework

This chapter aims to provide the reader with a theoretical background for the following topics merger and acquisitions, organizational culture and identity. After giving a general overview of these topics, we introduce the concepts relevant to our thesis: professional and organizational identity as well as the impact of merger on organizational culture and identity.

2.1 Mergers and Acquisitions

While mergers are defined as a consolidation of two or more previously separate organizations with similar business propositions into one (Tienari & Vaara, 2016; Vaara, 2001), acquisitions are associated with the takeover of businesses by another organization (Tienari & Vaara, 2016). In academia, these terms are often used interchangeably as also in mergers one partner is usually more influential in guiding and shaping the new organization (Tienari & Vaara, 2016). Therefore, the distinction between the two is mainly a legal one (Van Knippenberg et al., 2002). In our research, we will focus on mergers, as the situation in our case study relates more closely to it.

Mergers are complex and continuous change processes which do not have a clear beginning or end but are “ongoing, evolving, and cumulative” (Weick & Quinn, 1999, p. 375). Many fail because of cultural clashes which researchers explain by the degree of correlation between the organizational values (Brown & Humphreys, 2003; Risberg, 1997). Hence, for an integration process of two cultures to be successful it is important that there is a certain level of compatibility (Jackson, 2019). Van Knippenberg et al. (2002) suggest that an important factor is the differences in dominance between the merging organizations and add that during a merger the more dominant organization is likely to determine the future shape of the organization. This can lead to the need of organizational members to renegotiate their interpretation of the organization, its culture and its identity to form a new collective understanding (Drori, Wrzesniewski & Ellis, 2013).

Unavoidably, mergers and acquisitions are characterized by conflicts, cultural differences and identity struggles when organizational members are required to find common ground (Cartwright & Cooper, 1990; Tienari & Vaara, 2016). Additionally, Teerikangas and Very (2006) conclude that often employee related topics such as culture and identity in combination

with insufficient culture management cause frustrations and dissatisfaction. Furthermore, Cartwright and Cooper (1990) add that mergers usually lead to stress, anxiety and feelings of uncertainty as organizational members fear losing their jobs and thereby their sense of belonging. These negative feelings, according to Schoenberg (2006), can additionally lead to reduced work performance, a decline in employee commitment and forms of resistance. It is, therefore, important to create a sense of continuity before, during and after the merger (Jackson, 2019; Ullrich, Wieseke & van Dick, 2005; Tienari & Vaara, 2016). Furthermore, Brown and Humphrey (2003), suggest that organizations can lessen the degree of negative feelings caused by the merger by a clear and unambiguous communication and by involving the employees in intergroup activities. Finally, Corley and Gioia (2004) conclude that a merger process consists of a mix of threats to the identity and future opportunities for the organization and its members.

2.2 Organizational Culture

In the last decades, the topic of organizational culture has received much attention across the disciplines of sociology, psychology, anthropology, and organizational studies and most of the organizations have recognized its value and importance (Alvesson, 1995; Smircich 1983; Martin, 2002). Although studies slightly differ in their definition, many of them agree that an organizational culture is characterized by its shared norms, values and beliefs (e.g. Alvesson, 1995; Martin, 2002). Moreover, Alvesson (1995) expands the definition and describes organizational culture:

“as collectively shared forms of cognition, values, meanings, beliefs, understandings, ideologies, rules, norms, symbols, emotions, expressiveness, the unconscious, behavior patterns, structures, practices, etc.” (p.1).

Martin (2002) agrees and suggests viewing organizational culture objectively and subjectively to allow for a greater variance in explaining phenomena related to this context. She further adds that organizational culture can be understood as an interlinked system of manifested beliefs and values in behavioral, linguistic and cognitive processes. Swidler (1986) describes that especially values are important cultural elements, because according to her, they are the main driver for the organization. She further states that organizational culture is shaping its employees through separate and diverse strategies of action, which she defines as a toolkit. However, Canato, Ravasi and Phillips (2013), elaborate in their research that many times the organizational values might not completely resonate with the organizational members even

though they might be familiar. Moreover, they state that individuals will commonly adjust to cultural and social beliefs that are closest to their personal perceptions and beliefs. Hence, when it comes to organizational changes, the extent to which employees adapt to new ways of working and the overall outcome will depend on the extent to which the change affects the values of the previous culture (Canato, Ravasi & Phillips, 2013). Besides, some researchers take a more critical perspective. While Kunda (1992) believes that, when it comes to management, organizational cultures are just a disguise of normative control, Hofstede (1991), perceives culture as the programming of employees into the organization.

Along the same lines, Schein (2009) who views culture as a variable, warns not to oversimplify organizational culture and to reduce it to cultural manifestations such as rituals, company climate, and values. Martin (2002) further elaborates and divides manifestations into:

“cultural forms (such as rituals, organizational stories, jargon, humor, and physical arrangements), formal practices (such as pay schemes and hierarchical reporting structures), informal practices (such as norms) and content themes” (p.64-65).

In 1985, Schein (2010) developed a model that defines three interconnected levels of an organizational culture which he arranges from visible to tacit. The first level of his model comprises artefacts which consist of tangible and visible social elements such as the organizational environment, stories told and behavior of employees. However, this level does not consider the motivations behind people’s behavior way and although the elements of this level can be observed, the conclusions that might be drawn from it do not necessarily correspond with the opinions of the employees (Schein, 2010). The second level deals with the espoused values and beliefs of organizational members which do not consequently coincide with the organizational values (Schein, 2010). It is a deeper level where the person is oriented more towards the values that portray the image of the organization. The third level of Schein’s (2010) model refers to basic underlying assumptions which are taken for granted beliefs that guide the behavior, thoughts, and feelings of organizational members. He further states that one has to understand the basic assumptions to make sense of the values, beliefs and artefacts held by a group. Schein (2010), hence grounds his model on a subjective approach in how organizational culture is experienced and considers that opinions are based on assumptions. However, Hatch (1993) criticizes Schein’s model and expresses the importance of including symbols as another cultural element to increase the possibilities of interpretation. Additionally, she highlights the model’s weakness of underappreciating the function of assumptions and

beliefs in creating, nurturing and changing organizational culture. Nevertheless, the model facilitates the identification and analysis of an organizational culture (Hogan & Coote, 2013).

Researchers like Martin (1992) and Risberg (1997) suggest in their studies on organizational cultures that these can be studied from three different angles: the integration perspective, the differentiation perspective, and the ambiguity or fragmentation perspective. The first perspective describes the beliefs of organizations in cultural consistency, harmony and consensus amongst organizational members as well as clarity about tasks and responsibilities (Martin, 1992). Additionally, Martin (1992) elaborates that sensemaking plays an essential role in the integration perspective to control behavior and strengthen harmony. As sensemaking is based on assumptions of an individual, it can be related to Schein's approach to studying culture who states that assumptions are based on values which become beliefs before being assumptions (Schein, 2010).

Furthermore, the differentiation perspective, highlights the inconsistency and disagreements within organizational cultures which can lead to culture clashes (Martin, 1992). In contrast to the more harmonious illustration above, organizational members are rarely homogeneous in their values and assumptions and hence co-existing subcultures may form based on the employees' gender, nationality and cultural or ethnic background (Martin, 1992). Moreover, Trice and Beyer (1993) define subcultures as groups within the main culture which have elements of the main organizational culture such as ideologies but with diverse manifestations of cultural forms. Conforming therewith, Schein and Schein (2019) add that subcultures form based on impacts and constraints that the various levels of organizational culture, mentioned above, have on one another. Consequently, subcultures are, for example, based on the team expertise and tasks, team characteristics, operating country or market (Schein & Schein, 2019). Hence, Martin (1992) describes that research often focuses on inconsistent interpretations in regard to actions, including power dynamics, symbols, rituals and stories as well as ideological assumptions within organizational cultures. However, it needs to be considered that both the integration and differentiation perspectives have received criticism regarding their single focus which does not take into consideration the ambiguities of organizations and their culture (Martin, 1992). Additionally, Martin (1992; 2002) was criticized by Alvesson (2002) that there are two differentiation perspectives where one refers to culture and the other one to the subcultures.

Finally, the ambiguity perspective takes into account the complexity of organizations and thereby follows the example of Weick (1995) who stresses the importance of considering organizational ambiguity, for example, in performance, job descriptions and memories. Furthermore, within this perspective, organizational cultures are believed to be neither harmonious nor conflictual and to consist of various subcultures (Martin, 1992). This perspective, thus, acknowledges that organizational members have some common viewpoints while they object or are indifferent to others, and it considers that individuals can change their opinions (Martin, 1992). This is, for example, often the case in multicultural organizations in which employees have different backgrounds and hence make different assumptions based on their values which can cause issues from misunderstandings to a full communication breakdown (Martin, 1992; Risberg, 1997). Hence, in comparison to the integration and differentiation perspective, the ambiguity perspective takes the complexity and ambiguity of actions, symbolic meanings, and physical arrangements as well as ideological themes into account (Martin, 1992). Additionally, it also offers different levels of analysis (subcultural, individual and organizational) which allows to circumvent group boundaries and to acknowledge overlapping identities and hence to study the organization as a whole (Martin, 1992). Many researchers use the ambiguity perspectives to obtain a greater understanding (Martin, 2002; Risberg, 1999). Additionally, Schein (2004) adds that in spite of studying different organizational cultures, it is difficult to predict how two cultures will work together.

To conclude, organizational culture is based on the shared values, manifested beliefs and norms. These elements, which are the main driver of the organizational culture, also form the basis for understanding the organizational members behavior (Swidler, 1986). We are thereby considering different perspectives such as Swidler's (1986), Schein's (2004) and Martin's (2002) to take into account the complexity and organizational contexts that might influence organizational culture (Martin, 2002; Risberg, 1999). In our thesis, we will also recognize the element of normative control within the topic of organizational culture, as suggested by Alvesson (1995) as well as the possibility that subcultures might form or naturally exist, as described by Martin (2002).

2.3 Identity

The topic of identity has been popular in organizational studies and has been explored based on multiple levels of organizations, professionals, social groups, and individuals (Alvesson, Karreman & Sullivan, 2015). To understand the organizational and professional identity construction within an organizational culture, which we are focusing on in our research, it is essential to address the concept of identity first. The term identity describes how individuals and collectives see themselves. While the individual identity is centered around the question Who am I? (Gioia, 1998), organizational identity is concerned with the collective understanding and hence the question “Who are we as a collective?” (Pratt, Schultz, Ashforth & David, 2016, p. 3).

Most identity theories are based on the social identity approach, which consists of the social identity theory and the self-categorization theory introduced by Tajfel in 1972 and which describes how individuals define themselves as members of certain groups (Hogg & Terry, 2000; van Knippenberg et al., 2002). The more individuals identify themselves with a specific group, the stronger is the influence this feeling of belonging has on attitudes and the behavior of the individual (Turner et al., 1987). Furthermore, Ashforth and Mael (1989) were first in applying this approach to organizations and suggest that belonging to an organizational membership influences how individuals view themselves. Consequently, a high level of identification might, for example, lead to a strong organizational culture (Jackson, 2019), organizational citizenship behavior (Dutton, Dukerich & Harquail, 1994), employee actions in the organizations’ best interest (Mael & Ashforth, 1992), better resilience to change (Pfeffer, 1994) as well as low employee turnover (Mael & Ashforth, 1995). However, the social identity perspective assumes that individuals have fairly fixed identities (Alvesson & Robertson, 2016).

While identity was commonly conceptualized as relatively stable (Whetten, 2006) contemporary studies often acknowledge that identity is socially constructed (Alvesson, Karreman & Sullivan, 2015). The social constructivist perspective, according to Alvesson, Karreman and Sullivan (2015) allows researchers to view individual and organizational identities as ambiguous and multi-faceted and within dynamic contexts. Furthermore, Dutton and Dukerich (1991) and Weick (1995) assert that social identity is constructed through sensemaking processes. Sensemaking, according to Weick, Sutcliffe and Obstfeld (2005) is subject to language and communication through which reality, such as organizational and social

situations, are created. Ashforth, Rogers, and Corley (2011), agree that both sensemaking and identity construction are connected to language and further add these activities take place individually, collectively and organizationally as well as across identity forms as these are interlinked. Consequently, identities are often constructed in social processes through language-related activities such as the telling of stories and narratives (e.g. Ashforth, Rogers, & Corley, 2011; Brown & Humphreys, 2003; Vaara & Tienari, 2011). Furthermore, Ashforth, Rogers, and Corley (2011), add that identity construction is not a closed off process and can hence be subject to opinions from others. Finally, Weick, Sutcliffe and Obstfeld (2005), draw attention to the stabilizing and destabilizing effect that internal and external stakeholder feedback can have on the identity of individuals and organizations. Alvesson, Karreman and Sullivan (2015), add that it needs to be considered that individual and organizational identities are subject to power dynamics in which the individual identity construction is influenced by the expectations of the ideal image or behavior. As mentioned, we will focus on the professional and organizational identity in our research.

2.3.1 Organizational Identity

Before describing the organizational identity, we deem it important to briefly introduce the difference to corporate identity. While corporate identity is concerned with the symbolic and desired image of an organization, organizational identity describes the actual characteristics of an organization as described by employees and external parties (Dowling & Otubanjo, 2011). Both forms of identity are closely connected, whereby, as suggested by Dowling and Otubanjo (2011), organizational identity should be the basis of the corporate identity.

The concept of organizational identity was established by Albert and Whetten in 1985 who approached the topic from a social actor perspective (Gioia & Hamilton, 2016; Whetten, 2006). They, hence, believe that organization practices have the purpose of maintaining or influencing the organizational identity (Gioia & Hamilton, 2016). Albert and Whetten's concept is based on three components: ideational, definitional and phenomenological (Whetten, 2006). Whetten (2006) further elaborates that the ideational component defines the hold and shared beliefs and understandings about the organization. The definitional component refers to the elements that organizational members believe are "central, distinctive and enduring" to the organization (Whetten, 2006). These components can be also related to Hernes (2004) who describes in his framework how organizations use physical, social and cognitive boundaries to define themselves in what makes them distinct and persistent. However, Corley, Harquail, Pratt,

Glynn, Fiol, and Hatch (2006) and Alvesson and Robertson (2016) doubt that central features are uniformly interpreted by all organizational members. Lastly, Whetten's (2006) phenomenological component refers to identity-related discourses, thus what organizational members share about their experiences.

It is, thus, apparent that the concepts of organizational culture and organizational identity are interrelated. However, until today it is debated how closely these concepts relate. On the one hand, researchers argue that organizational identity is not distinct from organizational culture as both are based on shared values, beliefs and norms that determine organizational behavior (Corley, 2004; Hogg & Terry, 2001) and wonder if it is all about re-labeling the concepts (Ravasi, 2016; Alvesson & Robertson, 2016). On the other hand, researchers claim that the concepts correlate but that organizational identity is more narrow (Ravasi, 2016), relates to the individual (Hofstede, 1998), is constructed by management (Hatch & Schultz, 1997), comprises elements of self-reflection (Pratt, 2003) and is used by organizational members to differentiate themselves from others (Corley et al., 2006; Scott & Lane, 2000). Additionally, Hatch and Schultz (1997) state that organizational identity is "grounded in local meanings and organizational symbols and thus embedded in organizational culture" (p. 358). Hence, Ravasi and Schultz (2006) claim that organizational culture supports sensemaking and sensegiving activities of organizational members in regard to organizational identity.

Furthermore, next to drawing on the connection of organizational identity and organizational culture, many researchers today call for recognizing the complexity of organizational identity. Gioia and Hamilton (2016), for example, approach organizational identity not only from a social actor perspective that pursues a strategy to maintain or create a new identity in a dynamic process but also from the social constructivist perspective in which identity is constructed by the meanings and understandings of organizational members as well as from the institutionalization perspective that emphasizes that identity is adjusted through institutional and external forces. They, hence, recommend viewing identity "both as an intangible entity and as a dynamic process continuously in flux" (p. 31-32). However, Alvesson and Robertson (2016) hold a slightly different perspective and state that viewing identity as an entity invites researchers to place boundaries and thereby oversimplifies the complexity of the organization. They call upon a more sensitive research approach that takes into account the various meanings and power dynamics, and hence suggest approaching the topic through a social constructivist and institutional perspective. Thereby, they agree with Hatch and Schultz (2002) and Scott and

Lane (2000) who conceptualize organizational identity as dynamic and iterative and as being influenced by organizational processes and activities around the identity, organizational culture as well as the feedback received by the stakeholder of the perceived organizational image. They further elaborate that organizational identity is enacted by and constantly negotiated through interaction of organizational members and stakeholders and thus also conclude that there is an element of power within the concept of organizational identity.

Moreover, Schultz (2016) views organizational identity from three different perspectives: identity as enduring stability, identity as periodic or partial change and identity as ongoing change. Depending on the approach, identity stability differs during a change process (Schultz, 2016). The first perspective is based on Albert and Whetten's social-actor perspective which views organizational identity as stabilizer during occurring change (Schultz, 2016). The second one is based on a social constructivist or interpretivist perspective and contrary to the first argues that organizational identity will adjust to external changes and/or endangerment of the perceived identity (Corley & Gioia, 2004; Schultz, 2016). The third perspective perceives identity as a continuous change process (Schultz, 2016). Furthermore, Ravasi and Schultz (2006) suggest using the social actor perspective which focuses on sense giving aspects and the social constructivist perspective which emphasizes sensemaking aspects in a complementary way. Hence, identity claims affect the collective understandings and vice versa (Gioia & Hamilton, 2016). Furthermore, Gioia, Schultz, and Corley (2000) argue that organizational identity is based on shared understandings of organizational features and the collective identity. They further elaborate that organizational identity is linked to organizational language and meaning and that the identity labels organizational members use to describe an organization might have multiple underlying meanings. Scott and Lane (2000), on the other hand, describe organizational identity as being influenced by goals, missions, processes, values and other activities. They further add that founders and managers play a significant role in the forming of an organizational identity as they have prominent positions in which they portray a certain self-image.

Furthermore, Alvesson (2001) approaches the topic of identity by elaborating on the importance of identity construction for managers and subordinates as a success factor of knowledge-intensive firms and argues that identity plays a role as a control mechanism within the organizational culture but also on the part of management. He differentiates four forms: institutionalization, cultural control, normalization and subjectification. His first category

concerns the identification with the organization through pride and status of working for a prestigious company and hence the identification with a successful career. Cultural control, on the other hand, aims to influence the “values, ideas, beliefs, emotions and identification of employees” (Alvesson, 2001, p. 877) and hence intends to regulate how they define themselves within the organizational context. Furthermore, normalization draws on Foucault and receives its power through setting a behavioral standard which is controlled by self-perception and signals received from other organizational members (Alvesson, 2001). The last form describes organizations that hire based on cultural fit and leads to employees identifying themselves with their work and a community of people that do the same (Alvesson, 2001). The focus here lies not on the surveillance of abilities but on the subjectification of individuals (Alvesson, 2001).

2.3.2 Professional Identity

Schein (1978 as cited in Ibarra, 1999) describes the professional identity as “relatively stable and enduring constellation of attributes, beliefs, values, motives, and experiences in terms of how people define themselves in a professional role” (p.765). Alvesson, Karreman and Sullivan (2015) agree as for them professional identity describes how individuals view themselves in relation to their work. Dutton, Dukerick, and Harquail (1994) establish in their study that individuals become “attached to their organization when they incorporate the characteristics they attribute to their organization into their self-concepts” (p. 241-242). Both, Alvesson, Karreman and Sullivan (2015) and Dutton, Dukerick, and Harquail (1994) thereby relate to the social identity theory and further elaborate that the stronger the identification, the more the individual believes that what is central, distinctive and enduring about the organization overlaps with their self-view.

Furthermore, Dutton and Dukerich (1991), Elsbach and Kramer (1996) and Weick (1995) argue that identity preservation and construction is based on a sensemaking process, the organizational identity and the image employees have about the organization. Organizational members might consequently engage in identity work which includes activities of “forming, repairing, maintaining, strengthening or revising the constructions that are productive of a sense of coherence and distinctiveness” (Sveningsson & Alvesson, 2003, p. 1165). Dutton and Dukerich (1991) highlight that organizational identity and image have an impact on the employees feeling of belonging. They establish that the cognitive connection depends on two images: the perceived organizational identity (what employees consider to be distinctive, central and enduring attributes of an organization) and the constructed external image (how

they assume that external parties perceive the organization). Furthermore, Elsbach and Kramer (1996), on the basis of the social identity theory and Dutton and Dukerich's (1991) organizational image theory, found that employees may adjust their behavior if their perception of the organizational identity or organizational prestige changes.

Besides, Scott and Lane (2000) elaborate that similar to how organizations formulate a corporate identity, professionals also create a desired identity image of themselves which consists of beliefs about themselves, values, goals and the assessments of others. This concept of a desired self-image that individuals believe in and which is based on feedback of others was first developed by Schlenker (1985 as cited in Scott & Lane, 2000). If the feedback is positive, a situational identity is developed which will then be reinforced through repeated interaction with the same group and hence repeatedly used by the individual when interacting with the same group (Scott & Lane, 2000). Moreover, Weick, Sutcliffe and Obstfeld (2005), in line with Scott & Lane (2000), elaborate that the image employees have of themselves influences how they act in a organizational environment and that the interpretations of the feedback they receive from others can have positive or negative effects on the stability of their identity. Ashforth, Rogers, and Corley (2011) agree and add that the organizational identity and also the employee's identity are not simply intrinsic but influenced beyond the organizational connections and hence by the wider environment. Furthermore, Alvesson (2002) states that organizational culture plays a role as it is supporting the employees' sensemaking processes and influences their behavior, motivation and commitment and consequently their identity. It becomes hence apparent that organizations provide the basis for the professional identity construction (Alvesson, 2001), or as Alvesson, Karreman and Sullivan (2015) summarize, professional identity is "not fixed, but is to some extent an open question and highly related to one's organizational context and social interactions" (p. 405).

To conclude, organizational identity is influenced by internal and external factors and organizational members play a big role in the organizational identity construction, adaptation and maintenance (Hatch & Schultz, 2002). On the other hand, organizational culture and identity provide the basis for the professional identity construction (Alvesson, 2001). In our research we will approach identity from a social actor and social constructivist perspective to make connections between organizational culture, identity construction and adjustment and the broader organizational contexts.

2.4 The Impact on Culture and Identity during Mergers

Mergers offer a highly specific context when discussing culture and identity adjustment because it challenges taken for granted assumptions about the organization (Tienari & Vaara, 2016). Hence, mergers are sensitive situations in which not only the organization has to adjust but also employees struggle with their sense of identity.

2.4.1 Boundaries during Mergers

Boundaries can help to define tangible structures, social behavior and cognitive processes of organizations and how these are restructured in the integration process. Within boundaries also fall the topics of organizational culture and identity. Although Alvesson and Robertson (2016) seem to disagree with the use of boundaries as they can restrict and over-simplify the research approach, we find them a useful tool in analyzing the impact the (re)organization might have on the organization and the employees.

Researchers, who have focused on boundaries, have developed several perspectives that explain how organizational boundaries are used. Hernes (2004) summarizes boundaries in three groups: tangible boundaries, such as physical structures, rules and regulations, social boundaries, which are determined by group mechanisms, organizational culture or identity, and boundaries of cognitive processes, such as beliefs and sense making processes which are, as stated by Weick (1995), limited by the explanations that seem reasonable. In his framework, Hernes (2004) further elaborates on the effect these boundaries can have on organizations. He distinguishes between ordering (how boundaries determine human interactions), distinction (how boundaries serve groups in distinguishing themselves from others, hence defining their identity) and threshold (how permeable these boundaries are to external parties). Ashforth, Kreiner, and Fugate (2000) agree and state that employees, contextual forces and culture are affecting the creation and maintenance of new boundaries during a merger. Hence, a positive effect of boundaries is that they establish “coherence between the identity of the organization and its activities” (Santos & Eisenhardt 2005, p. 500) as employees have shared values, beliefs and norms (Ashforth & Mael 1989). Moreover, Scott (2004) agrees and expands on the concept by adding that boundaries are shaped by “actors (distinctive roles, membership criteria, identity), relations (interaction frequency, communication patterns, networks), activities (tasks, routines, talk), and normative and legal criteria (ownership, contracts, legitimate authority)” (p.10). Hence, these boundaries describe the identity and affect the sensemaking of organizational

members in how they understand the uniqueness of the organization, guide their behavior as well as regulate organizational procedures (Drori, Wrzesniewski, & Ellis, 2013). In our research we will be focusing on a combination of Hernes' (2004) and Scott's (2004) definitions of boundaries as we think that it is important to consider tangible, social and cognitive factors as well as culture.

As mentioned above, boundaries generally have a positive influence on the organization. However, during a merger process this coherence might be threatened, for example, by employees holding on to their pre-merger cultures and identities (Drori, Wrzesniewski, & Ellis, 2013), which can encourage tensions between merger groups (Vaara et al., 2012) and ultimately might lead to the identity loss of one group (van Knippenberg & van Leeuwen 2001). Hence, as boundaries shape organizational structures, cultural elements as well as organizational and employee identity, they are important to consider when analyzing the impact, a change situation has on the organization and its members.

2.4.2 Organizational Cultures in Mergers

Looking at organizational culture during a merger can have different implications. As mentioned above, Martin (1992) and Risberg (1997) suggest the use of the three perspectives integration, differentiation and ambiguity when studying organizational culture. Looking at a merger situation from an integration perspective, would mean that change is focused on maintaining a stable situation (Martin, 1992). Furthermore, Risberg (1997) states that from this perspective the members of both merger organizations negate cultural ambiguities or possible differences and impose the creation of one homogenous culture. Furthermore, from the differentiation perspective, subcultures of the merging organizations are likely to appear as each organization focuses on internal consensus while conflicts occur between them as they ignore possible compatibility of their organizational cultures (Martin 1992; Risberg, 1997). By taking the ambiguity perspective of Martin (1992), it is assumed that subcultures naturally exist within the organizational culture. Hence, Schein and Schein (2019), state that organizations that are influenced by organizational changes may develop subgroups that evolve to subcultures. Moreover, they perceive subcultures "as separate organizational cultures that during a merger need to be aligned" (p.6). Furthermore, Risberg (1997) who also analyzes merger situations based on the ambiguity perspective concludes that many ambiguities are caused by insufficient and vague communication.

Furthermore, cultural differences between the organizations involved in a merger are mentioned amongst the most occurring issues (e.g. Cartwright & Cooper, 1990; Risberg 1997). In their research about the implementation of Six Sigma at 3M, Canato, Ravasi and Phillips (2013) show the difficulty of changing core values that filled employees with pride, and which ultimately defined the boundaries for an acceptable organizational change. Hence, their research also suggests that organizational culture can be adjusted. Moreover, Swidler (1986) elaborates that culture is providing a toolkit of behavioral elements that are used by employees to inform their actions and decision-making processes and which provide new meaning to cultural elements. She distinguishes two approaches for settled and unsettled cultural situations. During settled cultural times, traditions and common sense influences organizational member's behavior by relying on elements provided in the toolkit (Swidler, 1986). During unsettled cultural times, ideologies guide behavior which form new strategies of action but whose survival within competing ideologies is affected by structural opportunities (Swidler, 1986).

Besides, communication and sensemaking processes play a big part in the organizational adjustment during a merger. Vaara (2003) argues in his research that looking at a post-merger from a sensemaking perspective supports the understanding of these complex processes. He further argues that communication problems, like language barriers, and cultural differences in communication and decision-making procedures can lead to ambiguities within the organizations. Thereby, he supports the findings of Risberg (1997) who found that interpretations might differ between people with different backgrounds and social identities. To support communication and sensemaking processes, Schein (2009) is, therefore, advocating to plan shared events where people will be able to get to know each other.

Additionally, power-related dynamics and struggles of mergers and acquisitions concerning which organizational culture dominates are often caused by the various involved stakeholders and their diverse interests (Vaara, Tienari, Piekkari, & Säntti, 2005; Tienari & Vaara, 2012). It is therefore not uncommon that the management of a merged organization is laid off to impose the dominant culture of the new organization (Cartwright & Cooper, 1990).

Finally, contrary to the statements above, Hofstede, Hofstede and Minkov (2010) argue that the culture does not change and resists the change, but that instead employees are the ones that need to adapt to the change while the organizations keep their main unique traits. It is, hence, questionable if culture is the factor behind all merger and acquisition related issues or if it is made the scapegoat of some researchers to explain a socially complex situation (Riad, 2005).

2.4.3 Identity Adjustment in Mergers

Research has focused on analyzing identity processes in post-mergers based on a social actor and a social constructivist perspective (Gioia & Hamilton, 2016). While the social actor perspective focuses on individuals' motives behind accepting or resisting a merger, the social constructivist perspective looks at activities and strategies that shape identity processes. We will focus on both perspectives simultaneously to understand, on the one hand, the desire to maintain a certain stability and, on the other hand, to explore how identities adjust. We are choosing this perspective as we, like many other researchers (e.g. Gioia, Schultz & Corley, 2000; Corley & Gioia, 2004) mentioned before, believe that identity is less stable and permanent and hence constantly adapting.

Generally, the employees from the premerger organizations try to maintain a social identity which is based on their personal belief structures (Hogg & Terry, 2000). Van Knippenberg et al. (2002) are defining a merger as a recategorization of different social groups into one new group and thereby draw on the social identity approach. They further elaborate that employees experience a change in group membership which impacts their identity. Furthermore, Rousseau (1998) found that employees who are able to adjust to the new position, will disidentify with the former organization and enter the new organization. Van Knippenberg and van Leeuwen (2001) agree and add that if employees identified strongly with the pre-merger organization, they tend to struggle more during a merger.

Jackson (2019) states that during mergers employees' levels of anxiety increase which can lead employees to question the identity and to fall back to previous behavioral patterns and routines. He elaborates that hence the new structure should contain elements of the previous one and shared values of both management and employees (Jackson, 2019). His suggestion is in line with Rousseau (1998), Ullrich, Wieseke, and van Dick (2005) and van Knippenberg and van Leeuwen (2001) who stress the importance of providing a sense of continuity. This can, for example, include signals of employment continuation (Rousseau, 1998), communicating a future plan and vision (Ullrich, Wieseke, & van Dick, 2005) but also enforcing elements of the former culture (van Knippenberg & van Leeuwen, 2001) and keeping physical reminders of the past (Rousseau, 1998). Additionally, Ravasi and Schultz (2006) show in their study that when central and distinctive cultural features are threatened, members relate to the rooted cultural elements and artifacts to establish a sense of continuity and to find answers to identity questions.

Especially, lower level employees that base their organizational understanding on cultural values and history might display forms of resistance (Corley, 2004; Ravasi, 2016).

Furthermore, some researchers advocate that sensemaking, language-related and social activities play a big part in the identity processes of employees during a merger. Dutton and Dukerich (1991) elaborate in their research on the importance of communication of the organizational identity towards the employees as their interpretation of these messages influence their sensemaking and hence their behavior. Furthermore, Brown and Humphries (2003), Tienari and Vaara (2016) and Vaara and Tienari (2011) found in their studies that individuals make use of stereotypes, metaphors and narratives to create meaning, make sense and construct identities. It is therefore not surprising that some employees might hold on to their former organizational and professional identity for quite some time (Tienari & Vaara, 2016). Additionally, Corley and Gioia (2004), who focus on the influence of language and meanings in the creation of the organizational identity, found that maintaining identity labels and slowly adjusting the meanings behind them, minimizes identity ambiguities. They suggest two means to organizational identity change: a change in the language used to label identity or “a change in the meanings underlying those labels” (p. 177). Notwithstanding, van Knippenberg et al. (2002), stress that mergers generally imply a certain discontinuity as the organization’s members may feel required to adapt the new organization. They further advice that organizations should use an approach of allowing distinct subcultures to ensure a certain level of continuity for both the dominated and the dominant organization. Furthermore, Clark et al. (2010) elaborate in their study on the creation of a transitional organizational identity that allows for various interpretations about the purpose of the newly merged organization.

Besides, Drori, Wrzesniewski, and Ellis (2013) have a slightly different approach and stress the importance of negotiating a new organizational identity by implementing practices and values of the pre-merger parties on which managers build upon to create the post-merger organization. Thereby, they argue that managers have to let go of the past to make space for a new professional identity. Rindova, Dalpiaz and Ravasi (2011) add that employees will adjust their understanding of a new organizational identity if the change process is accompanied by new identity claims. However, proponents of the social identity perspective, for example, Hogg and Terry (2000) and van Knippenberg et al. (2002), imply that these strategies are more difficult for employees, due to power- and status-related dynamics. Additionally, Vaara (2001) explains that identities are influenced by politics and complex power dynamics as in the post-merger

phase the different hierarchical and sometimes changing role identities of organizational members might cause tensions and conflicts. Maguire and Phillips (2008) add that a loss of trust in the organization itself or organizational members can cause identity struggles for employees. Hence, it is important to consider the underlying values and beliefs of organizational members, and power dynamics when negotiating a new organizational identity (Drori, Wrzesniewski, and Ellis, 2013; Vaara, 2001).

Finally, concerning organizations, Drori, Wrzesniewski, and Ellis (2013) suggest that the premerger organization that perceives itself inferior is more likely to accept the new merger and that employees are generally aware that organizations and work processes need to adapt. Hogg and Terry (2000) agree and elaborate that only organizations that believe having the less dominant position will adapt their identity, while organizations that feel superior, fear about their prestige status and perceive the merger as less favorable. They further describe that this leads to the need of negotiating a new collective identity.

In conclusion, merger processes are complex undertakings that have implications on organizational culture and identity as well as the organizational members identity and sense of belonging. Consequently, organizational members might struggle to adjust to the changes and deal with ambiguities which can lead to a decrease in commitment. In this adjustment process they might engage in sensemaking activities and the renegotiation of boundaries.

3 Methodology

In this chapter, we describe the chosen methodology for our research. Firstly, we begin by introducing our research approach including our philosophical grounding and our case study, followed by the data collection method. Furthermore, we outline how we perform our data analysis and highlight our approach to ethics and reflexivity in this research project.

3.1 Research Approach

When conducting research, it is essential to make methodological decisions to answer the research questions. Since the aim of this thesis is to explore the field of organizational culture and identity in context of mergers and acquisitions, it falls within social science and the field of management studies (Prasad, 2018). We have found that most studies of organizational culture and identity have focused on qualitative research methods to examine the professional realities and sensemaking as well as how they are influenced by organizational processes (e.g. Kunda, 1992; Prasad, 2018; Saunders, Lewis, & Thornhill, 2009). Furthermore, Prasad (2018) states that qualitative research facilitates the analysis of the sensemaking processes of organizational cultures and identity construction. Therefore, our research aims to follow the subsequent qualitative research tradition and our research questions are aimed to lead to descriptive and non-numerical answers (Bryman & Bell, 2011).

According to Bryman and Bell (2011), a researcher's philosophical assumptions have significant implications on the research design and the collection of theoretical and empirical material, and knowledge. Due to the complexity and dependency on social contexts, our research will focus on an interpretivist research tradition (Prasad, 2018). In contrast to a positivist tradition which has proven as inadequate for social science studies due to its objective view on reality, interpretivist traditions are taking on a constructivist perspective which assumes that social phenomena are socially constructed and in constant transition, and are hence part of a negotiated order in which “reality comes into being through acts of social interpretation and meaningful sense making” (Prasad, 2018, p.13). Hence, we as researchers are interested in understanding the social interactions, the local meanings of a culture, the identity construction within an organizational context as well as the meaning of human behavior while considering the distinctiveness of individuals (Bryman & Bell, 2011; Prasad, 2018).

Additionally, as we are focusing on the experience of organizational members, their sense making and reality construction as well as their self-images, our study has tendencies of ethnography and symbolic interactionism (Prasad, 2018). Hereby, it is important to consider that organizational cultures are unstable structures which are subject to periodic renegotiations (Prasad, 2018). We, therefore, seek to come to an intimate understanding of our interviewee's thoughts and perspectives (Prasad, 2018), for example, by asking questions that are oriented towards their value systems and perceptions. However, since also human interpretations and understandings can change, we are aware that our research will be limited to our current perspectives and those of our research participants (Alvesson & Sköldbberg, 2017).

Summarizing, we are following a qualitative research approach in an interpretivist tradition which employs constructivist assumptions about social reality and the creation of knowledge (Prasad, 2018). This approach thereby facilitates us in answering our research questions and obtaining our research purpose which aims to identify and understand the impact on the organizational and professional identities and the organizational culture after the (re)integration into the parent company.

3.2 Research Design

As mentioned above our research focuses on understanding the reality construction of our participants. In line with our interpretative approach, it is significant to familiarize ourselves with existing theoretical concepts within the chosen field and to investigate relevant relationships between existing research and our empirical material. As stated by Alvesson and Sköldbberg (2017), by repeatedly moving between theory and our collected empirical data, we are following an abductive approach. Furthermore, they state that "abduction starts from an empirical basis, just like induction, but does not reject theoretical preconception and is in that respect closer to deduction" (p.5). This approach, of alternating between theory and empirical material, hence, allows us to gain a thorough understanding of existing research and supports us in finding the most likely interpretation for an event or phenomenon while continuously reinterpreting them based on gained insights (Alvesson & Sköldbberg, 2017). This process also closely relates to the hermeneutic circle as described by Alvesson and Sköldbberg (2017). They advise to form interpretations and understandings based on an alternating perspective between the part and the whole (objective circle) and further add that the pre-understandings of the researcher inform the understanding and vice versa (alethic circle). Prasad (2018) describes the

hermeneutic circle as an iterative process in which an understanding of parts is needed for the interpretation of the whole and vice versa. In our research, we rely on an iterative process as suggested by Alvesson and Sköldbberg (2017) Prasad (2018) in which our pre-understandings influence our interviews and interpretations while newly gained insights through texts and interviews affect previous interpretations and vice versa.

3.3 The Case Study

For our research we decided to focus on a single case as the (re)integration of a startup with its parent company presents a unique situation in the field of mergers. We have hence the opportunity to analyze a phenomenon that has not yet received attention (Saunders, Lewis, & Thornhill, 2009). The case chosen for our research is the former startup MRO-Digital which was recently (re)integrated in the parent organization MRO-Industries, with headquarters in the Netherlands. The names of the organizations are pseudonyms and will be used throughout this thesis. The parent organization, an industrial service provider, is active in over 15 countries and has over 7,500 employees worldwide. In 2015, they founded the startup Easy-Tools to accelerate their digitalization and which focused on small and medium-sized businesses in the maintenance and repair sector. After two years, the startup was then (re)integrated into the parent company and was thereafter named MRO-Digital. The goal was to form a highly digital and specialized entity which would be responsible for the global digital transformation of the business. To achieve this, MRO-Digital was created out of three parts of the organization: the former startup with an exploration mindset and technological knowledge, the local e-business department which was responsible for the MRO-Industries webshop and websites and a smart asset management department. Thereby, two different organizational cultures were combined of which the largest group were the employees of the former startup with about 80 employees and 15 employees joined from the mother company. Nowadays, approximately 100 employees work at MRO-Digital. As this case presents a unique situation, we believe that this research is valuable and relevant in the context of organizational culture and identity in mergers and acquisitions.

3.4 Data Collection Method

In the following we will describe our sample and our data collection method. Our focus was thereby on conducting semi-structured interviews. Observations were intended but due to the

COVID-19 pandemic we only had limited opportunities. Therefore, we additionally relied on a document analysis to support our analysis of relevant topics which were uncovered during the interview process.

3.4.1 The Sample

The sample of this research consisted of 25 employees of MRO-Digital who have been either working for the startup or the parent organization before the (re)integration. Of the latter five employees were interviewed, while 20 employees of the former startup took part in the research of which two left the organization after the (re)integration. Furthermore, our sample was spread across hierarchy levels as we assume that not all members interpret the central features of the organization homogeneously as suggested by Alvesson and Robertson (2016) and which also coincides with the hermeneutic circles approach, mentioned above. To gain a deeper understanding, we interviewed thirteen employees, seven team leads and five managers of which three are in the leadership team (Appendix A). Our sample thereby includes over 25% of employees that have been part of the (re)integration. The interviews with current employees were organized by the contacted office representative. Former employees were approached by us via LinkedIn. All interviews were based on the selection criteria of having worked at either one of the companies before the (re)integration and was subject to interest and availability of the participants. Although it cannot be expected that our sample is fully representative of the organizational culture and the organizational and professional identity, we believe that our collected empirical material offers sufficient insight for our research purpose.

3.4.2 Interviews

As the main data collection method, we chose to do interviews and conducted 25 semi-structured interviews with employees of various departments and of different hierarchy levels within MRO-Digital. The decision of conducting interviews was based on our interpretive research traditions as interviews allowed us to gain a more personal insight and understanding in the participants' lifeworld, perspective about the merger and the influence it had on the organization and themselves (Prasad, 2018). The focus of the interviews was hence meaning-centered by investigating what happened and how interviewees made sense of the merger and connected social situations (Prasad, 2018). Furthermore, our choice for semi-structured interviews can best be described by Kvale (1996) who defined them as "an interview whose purpose is to obtain descriptions of the life world of the interviewee with respect to interpreting

the meaning of the described phenomena” (p. 5-6). Another advantage for using semi-structured interviews was that we had some conformity between the interviews but also space for follow-up questions and for the interviewees to give detailed answers.

The questions for these interviews were designed by us and grouped in themes in an interview guide (Appendix B). In order to test our interview guide and the relevance of our questions, a pilot interview was performed. From this pilot interview we gained relevant insights on how potential participants would answer and adjusted our interview guide accordingly. In this process, we excluded irrelevant questions and adapted some formulations of questions to make them more suitable for our research purpose. To ease the participants into the situation, we introduced our project without revealing leading information. We then continued by explaining the interview process, ensuring their anonymity, and asking their permission to record the interview. We started the interview by asking general questions regarding their position, the organization and the change before questioning them about the impact the change had on the organization and how they personally experienced this situation. The sequence in which questions were asked was flexible and dependent on the interviewee’s input in order to achieve a natural conversation flow. In line with abductive research, we aimed on staying open-minded and following the interviewees’ narrations (Alvesson & Sköldbberg, 2017).

The interviews were conducted by both researchers and lasted between 30 and 90 minutes. Due to the COVID-19 pandemic, the interviews had to be organized via Zoom and could not take place in the office. The interviews occurred over a timeframe of five weeks which allowed us to improve our interview techniques and to be able to recognize first patterns. During the interviews one researcher acted as the main discussion partner while the other one focused on observation and note taking while also participating in the conversation when follow-up questions arose. The reason behind this role division was that one researcher had worked at the organization before and had therefore an advantage in establishing a connection with the interviewees. Furthermore, by both researchers participating in the interview, we were able to compare and discuss our impressions and first interpretations which allowed us to reflect and refine our interview questions. For the purpose of our analysis the interviews were transcribed using the online software Otter.ai. The software records the conversation and transcribes them at the same time. It also allows the adjustment of the text in case that pieces were not correctly transcribed by the software.

3.4.3 Document Analysis

As an additional source of empirical data, we collected secondary qualitative data to get a deeper understanding of the organizations itself, the organizational values as well as to gain contextual information through past merger communication and recent internal communication (Bowen, 2009). Secondary qualitative data is relevant in the comparison of the collected data and provided documents in obtaining better insight into what has been stated in the interviews and the portrayal within and outside of the company (Saunders, Lewis & Thornhill, 2009). The collected documents were in the form of data available on the companies' websites, newsletters and a video. We used the websites to collect information about the organizations in general but also their cultural values which were a recurring topic during the interviews. Furthermore, we used two newsletters that were distributed during the (re)integration process to gain insight into the communication that was done towards internal colleagues and the larger organization. Furthermore, the organization provided us with an example of their current newsletters towards the department and important stakeholders. Finally, we made use of a video found online to see how they present their organizational culture externally. For our analysis, the gathered documents were reviewed and examined based on content and wording. We were thereby aware that the collected documents include information that the organization intended to convey and that therefore the manner of expression might have been carefully chosen.

3.4.4 Observation

Furthermore, we conducted a few observations as support to our other empirical data and to gain a better understanding of the participants' input during our interviews. According to Prasad (2018), observations represent another significant source for data collection when following an interpretative tradition. She further highlights the importance of researchers spending time at the research organization to getting to know the employees, their language and habits as well as their working environment. Saunders, Lewis, and Thornhill (2009) add that observations enrich the data collection and are relevant to experience how individuals interact with each other.

Due to the COVID-19 pandemic, only one of us was able to visit the office once when initially setting up the interviews. During this time, the researcher had the chance to walk through the office building and to look at their meeting rooms and the lunch area. Furthermore, the researcher used the waiting times to sit close to the coffee machine and in the lunch area to

observe employees doing their work and interacting with each other during a game of ping pong as well as engaged in small talk if employees were interested.

3.5 Data Analysis

For our data analysis, we used our transcripts of the recorded interviews along with our document analysis and observation notes. As mentioned above, we have chosen an abductive research approach which allows us to go back and forth between theory and empirical data in which theory provides inspiration but in which theory and empirical data is also continuously reinterpreted (Alvesson & Sköldbberg, 2017). Furthermore, we chose to adopt the approach of what's and how's developed by Gubrium and Holstein (1997). Using their method and switching between what and how interviewees responded, enabled us to not only comprehend the content but also the interviewees' social reality (Rennstam & Wästerfors, 2018). By examining human actions, we are engaging in an 'interpretive practice' which will guide us in finding answers to why (Rennstam & Wästerfors, 2018). Therefore, we used our interview notes which contained vocabulary that stood out and nonverbal communication. As the interviews were conducted via Zoom, we could only document a limited number of notes based on body language. Additionally, during our analysis, we kept the explanation provided by Prasad (2018) about social interactionism in mind which states that all individuals perceive and interpret social situations differently and hence took into consideration that the interpretations from the participants were based on their experiences of the (re)integration. Furthermore, we used the qualitative data analysis software Nvivo and invested much time to sort and categorize the information in our interview transcripts into themes (Rennstam & Wästerfors, 2018). In this process, we created main categories such as merger, culture and identity, and grouped related themes in further subcategories. Thereby, we gained an understanding of the experiences, opinions and sense making processes of our participants (Rennstam & Wästerfors, 2018). Furthermore, by spending time with the data and by switching between empirical data and theory we reduced the number of categories by omitting unrelated themes (Rennstam & Wästerfors, 2018). Additionally, we attempted to not only engage with the most dominant themes but also categories that intrigued us and could add value to our selected research area, such as the theme of MRO-Digital as a subculture.

3.6 Trustworthiness and Ethics

Only employees that voluntarily agreed to participate were interviewed. Additionally, one of our main ethical considerations in our research was confidentiality and ensuring anonymity of our participants. Therefore, we decided on using pseudonyms instead of the names of the organizations named in our research. Furthermore, we informed all participants about the research purpose and process in which we analyze the data at the beginning of each interview and asked for their permission to record the interviews. As the researched department is relatively small with about 100 employees, we eliminated words that could describe specific positions and employees in our quotes to ensure the participants' anonymity. Furthermore, to guarantee the full privacy of all interviewees, the interview transcripts have not been enclosed.

3.7 Reflexivity

Reflexivity in research is defined by Alvesson and Sköldbberg (2017) as the combination of careful interpretation and reflection. It is thereby important that we, as researchers, recognize the complex interplay that exists between the conduct of our empirical data and our data analysis which might lead to new knowledge. Therefore, when analyzing selected quotes from our interviews, we were aware that our empirical data does not simply mirror reality and that data must be properly interpreted based on contextual connections, language used and theoretical assumptions (Alvesson & Sköldbberg, 2017). This has been achieved by conducting an extensive literature review and by the careful analysis of our empirical data. Furthermore, reflection plays an important role in research and can improve the quality of an interpretation which in turn has a positive effect on the value of the research (Alvesson & Sköldbberg, 2017). Hence, Alvesson and Sköldbberg (2017) state that it is of relevance to pay attention to oneself, the society, cultural tradition and not to underestimate the importance of language and narrative in the research context. By reflecting on initial interpretations and questioning the assumptions they are based on, we tried to eliminate our personal biases (Alvesson & Sköldbberg, 2017). For example, we attempted to achieve this by approaching the data from different perspectives like, assuming the perspective of the participants or a neutral standpoint and by questioning each other's interpretations.

4 Empirical Data

In this chapter, we present our findings of the collected empirical material. The main purpose of collecting the empirical material in form of semi-structured interviews, observations, and document analysis was to gain a deep understanding of the impact the (re)integration had on the organizational members, organizational culture and identity. The chapter starts by providing a case description of the two organizational cultures and continues by highlighting the main results of the conducted interviews which we have categorized in three themes: The Move, Living under one Roof and its Challenges, and Making it Work

4.1 The Move

To form a basis for our analysis, we first would like to present the two organizations that are involved in this merger. On the one hand, the parent company, MRO-Industries, was founded over 80 years ago as portrayed on their webpage. Employees value the organization for its “history, stability and that they built something up from the ground” (Amy, Employee). Their vision is to make the best products for their customers and the industry. Furthermore, one employee highlights that the organization “MRO-Industries is valuing their customers very much. They will do everything to provide the best services for their customers” (Rachel, Employee). Furthermore, as mentioned on the website, the organization describes its employees to be not only specialists in their field but also to have a passion for what they are doing. Their webpage is further portraying MRO-Industries as a reliable and innovative company that is challenging its employees to strive for advancement and development of new and improved products and a culture that is enabling failure from which learning is possible. MRO-Industries believe that these values are driving them to survive in their competitive environment.

On the other hand, there is Easy-Tools, a startup whose vision it was to bring innovation and digital solutions to the world of industrial supplies. As for its parent company, also Easy-Tools goal was to have a meaningful impact on their customers. In order to achieve that, the culture of Easy-Tools was built according to the five main values that were listed in their documents and by one of the former employees: “Let’s make it happen, customer centricity, keep it simple, trust and transparency.” (Ben, Employee). On their career website, each of these values was further divided in several sub-values that were supposed to guide the organizational culture. Also in their employee selection, there was a strong focus on only employing individuals that

would fit the culture as one of the managers expressed: “so it is important that you select the kind of people you need for that [this culture]” (Maria, Manager). Another employee adds: “We are looking for the sparkle in the eye, the best of the best and no assholes” (Ben, Employee). Also, in this statement, a certain conformity with the parent company is apparent, which also focuses on dedicated experts. Furthermore, the manager adds: “We were a very strong culture because of the combination of nobody leaving us and because it was relatively easy to onboard people” (Maria, Manager). Moreover, she adds that the success was also recognized by the external stakeholders: “We were successful because other people said we were successful... It helps, if you know an external party says you're winning platform” (Maria, Manager). Hence, the strong culture did not only form due to the careful employee selection but also because the organizational behavior and identity was confirmed externally. Their focus is clearly on forming a community with employees that are real team players.

4.1.1 Two Different Worlds

In line with the merger, Easy-Tools became MRO-Digital or as one employee describes it: “MRO-Digital came directly out of the legal structure of Easy-Tools and is being put into MRO-Industries as the expertise hub for digital transformation.” (Don, Employee). Even though among the organizational members, MRO-Digital is classified as a department, the statement explains that MRO-Industries and MRO-Digital are still two separate entities with separate departments. When visiting the office and being guided around the modern open plan structure and lunch area, we heard that MRO-Digital, for example, still has its own finance department. Furthermore, it became visible that the office includes physical elements from three different cultures. There are images and videos playing from MRO-Industries, the values on the wall overlap with the former Easy-Tools values and employees are wearing MRO-Digital hoodies. The combination of physical elements of three organizational cultures could reflect that they are still in the search for a clear identity.

Since the merger was the decision of the management board of the parent organization, one of the MRO- Digital managers thinks that it was too soon:

So, it was a little bit too early to integrate Easy-Tools into MRO-Industries because we were not mature enough yet. (Harvey, Manager)

With this statement the manager expresses his awareness that organizational members on both sides struggle because of the differences in maturity. It also portrays the awareness of

management about the differences between the two companies and the potential misalignment. Furthermore, the divergence between the parent and the daughter company is also reflected in the cultural traits as one employee summarizes:

I see three main differences. First, at MRO-Industries it is all about power and the individual, at MRO-Digital it is more about the team effort... Secondly, at MRO-Digital communication is viewed as very important while at MRO-Industries, they don't really care... And another point is the way of working is very different... MRO-Industries is more risk-averse and we are more risk-taking. In the end this [these differences] often results in very slow, complex and difficult processes.
(Donna, Team Lead)

The three major differences noted by the employee portray two different worlds and working styles. MRO-Industries is oriented more towards individuality and governance, while MRO-Digital is focused on teamwork and places emphasis on the communication and exchange of ideas and knowledge. On the contrary, at MRO-Industries communication seems to be considered less important. Moreover, the greatest difference is described in the mindset and approach of doing business. By merging the two companies, it seems that their differences increase the complexity of daily tasks. A daughter that returned home is now facing the rhythm, communication styles and lifestyle of her parents. One of the managers agrees and elaborates on the differences in the way of working:

Whatever they [MRO-Industries employees] did, they always felt they cannot make mistakes, because MRO-Industries stands for trust... If you make mistakes and the production in a factory of the customer goes down, the customer is in trouble. So, I'm not saying programmed but it's in their DNA not to take risks.... On the other hand, Easy-Tools was a big playground. We were constantly experimenting and when something went wrong or we made a mistake, we learned from it, adapted and tried again. We were like cowboys. You never hear a no. If somebody says no, you take it as a "yes but be careful". You never let anybody tell you what to do, you try it anyways and if it works, you would be proud of your achievement and if it doesn't, you would be proud of what you learned. (Harvey, Manager)

When comparing the two businesses the manager makes a distinction between the values and correlated behavior of the employees of MRO-Industries and Easy-Tools. MRO-Industries

employees are more established, use verified ways of doing business and are perfectionist in delivering the best product to their customer. On the contrary, Easy-Tools employees are inclined to work proactively, make mistakes, learn from them, and to find creative solutions. As becomes apparent employees have one common ground and that is the customer and both organizations strive to provide the best possible solutions. Furthermore, also in this statement the difference in maturity is visible. While one is more set in its ways, the other, with its young employees and its startup mentality gives almost the impression that no rules apply to them. So, where MRO-Industries lacks the courage to step out of its comfort zone, Easy-Tools is all about taking risks and learning from them.

Additionally, connected to the element of power, mentioned before, employees struggle with the differences in the willingness to be transparent between them and the parent company:

The transparency that we had at Easy-Tools and still have at MRO-Digital, is not that recognizable at MRO-Industries. It is all about power, they might pretend that they are transparent, but everything is a secret... because literally everyone has hidden agendas. (Donna, Team Lead)

With this statement the employee is referring to other employees purposely hiding their daily schedules and to hidden agendas among decision making layers. On the one hand, covering the agendas can be a demonstration of lack of trust towards other employees and as a consequence thereof the unwillingness to share. On the other hand, hidden agendas might mean that there are some hidden processes and goals that someone is trying to achieve. As MRO-Digital is attempting to keep the values which were set at Easy-Tools, transparency stays an important element. The behavior of employees of MRO-Industries is hence infringing this value and causing doubt and suspicion within the MRO-Digital employees.

Furthermore, as becomes apparent from the description the two organizations were substantially different. These differences also influenced the merger process, the organizational culture, and identity as well as the organizational members as we will be showing in the following.

4.2 Living under One Roof and its Challenges

In this section we introduce the impacts the (re)integration had on the former Easy-Tools culture. Apart from the name and the office location, the change had an influence on the culture,

the organization's purpose and employee perception. Hence, living under one roof with the parent has some repercussions on the daughter.

When I started working at Easy-Tools, I expected to work for a company which is flat, chill, hands on, entrepreneurial, result-oriented and commercial. And that's not how it is now that we are part of MRO-Industries, I would say. (Donna, Team Lead)

As the statement shows, the organizational culture of Easy-Tools changed with the (re)integration which is having an impact on the employees. Before, Easy-Tools was results-driven with greater freedom, faster solutions and less procedures and processes. It seems that the corporate culture has influenced the organization to greater extent as we will elaborate on in the following.

4.2.1 The First effects of the Move

Firstly, one of the managers reveals that they were aware that the change would impact their culture:

Whenever you do a merge like this, you let go of a part of your DNA. This DNA is key for the culture that you have at that moment. So, maybe one of the toughest things, in general, is how to create a good culture and also keep it as well. But doing a merge like this is even more challenging, because the culture that you had, will not be the same anymore. I guess you already know that upfront. (Edward, Manager)

The statement shows that the managers knew that a change of this size would have an influence on the culture as their organizational purpose and their area of responsibilities would change with becoming the digital expertise hub for MRO-Industries. Many of the employees agree that they had to grow up and adjust to the family rules, as one manager summarizes:

Our wild young years shifted more towards a controlled environment. So we received an audit from the investment group and also quite some rules that we have to oblige to in order to fit into the family of MRO-Industries. (Edward, Manager)

Another example is provided by one of the managers who describes her perception of the difficulties of the change and reasons that affected the organizational culture:

So, we didn't know what to expect. If we would move a needle or the whole boat. Some people immediately got scared and didn't want to be part of a big organization... And the change caused pressure on the culture, but we were growing as well which messed things up. We were a small company with growing pains. So, we had those two pains at the same time. (Maria, Manager)

The statement shows that the organizational members did not know what they had to expect when merging with the parent company. However, the pure thought of moving in with the parents had an impact on some of the employees who consequently left the organization. While the organization struggled with the change, they had to deal with a loss of employees which had an impact on their small community. At the same time, they had to find replacements which had to be onboarded during this challenging situation. It is, hence, no surprise that the organizational culture suffered under this burden. This is also confirmed by one of the employees:

I think there are two things that made a big difference in the beginning. First, there were many new hires, which had an impact on the group feeling. And secondly, we did not have one big office anymore, but two floors instead. (Madeline, Employee)

The loss and replacement of organizational members had an impact as the cultural dynamics and the interrelationship between the employees changed. Additionally, the change included a move to a new office which led to the physical separation between business and technical teams. Furthermore, the culture was put to the test with the joining of former MRO-Industries employees:

Directly after the move, it became apparent that some of MRO-Industries employees didn't fit in. There was a big culture clash within the developers, because the MRO-Industries people were used to working much more traditionally in a structured waterfall way of working and less in the sort of cowboy agile way that we used at Easy-Tools... It took some time before this culture clash disappeared. (Jimmy, Manager)

It becomes apparent from the statement that the consolidation of MRO-Industries and Easy-Tools employees led especially in the development team to struggles as the cultures' ways of working differed. From the standpoint of MRO-Digital employees, MRO-Industries employees

did not fit into the culture. As MRO-Industries employees were in the minority, they had to get used to the approach of MRO-Digital which caused tensions in the beginning.

Furthermore, one of the main impacts that was mentioned by all interviewees from former Easy-Tools was that they had to give up the internal Friday Borrel, they used to have. Borrel, is the Dutch word for drinks, which was not only used by Dutch but also international employees. The Friday Borrel was an office tradition that happened every Friday at 4pm with beer and snacks, where people would interact with each other and which led many times to afterwork drinks outside the office in a nearby bar. All of the interviewees agree that this tradition was important for making personal connections with people and having more of a family feeling. After the (re)integration alcohol was restricted in the office as one of the managers describes: “It was horrible, just horrible, it's still horrible. (laughing) It is a trauma for life. So that was the cherry on top.” (Maria, Manager). There was awareness that apart from the (re)integration and its accompanying issues, losing one of the important traditions would have an impact on the employees and the organizational culture. The statement was expressed in a sarcastic way, which leads us to the conclusion that for some employees this was not as important, and they did not understand the value it added for employees that perceived it as a cultural necessity. In order to keep the event culture alive, a substitution was introduced as one of the managers summarizes:

And we tried to do it a few times in the kitchen of the new MRO-Digital office, without alcohol and it just didn't work. Because, first of all, it wasn't alcohol. And second, you have to go to the kitchen and that seemed to be a hurdle somehow.
(Jimmy, Manager)

Unfortunately for the organizational culture the substitutional events did not seem to prove popular. The non-alcoholic drinks in combination with the different office set-up seem to increase the social threshold. Another employee agrees and expresses his opinion why the substitution did not work out:

What sums it up is alcohol free gin tonic. Yeah, that's the best metaphor ever. A nice drink that really sucks.... I don't blame them for trying but it's not natural.
(Don, Employee)

Furthermore, a reason why these events were important to employees was that “it helped people to sit next to each other to exchange ideas that normally don't” (Don, Employee). One of the

managers adds that it was important as: “you would maybe also talk about frustrations that you have had during the week.” (Jimmy, Manager). To a certain extent the parents were pushing the daughter to start behaving in a grown-up and more responsible way.

4.2.2 Support and Change Management

This part concerns the change management initiatives and support that was provided by the management of both organizations to support the change process. As the following quotes show, employees struggled with the little information and support they received before and after the (re)integration. The limited communication which was provided upfront caused many employees to be concerned, as two employees state:

I think a lot of the communication went wrong. A lot of people were very worried because they didn't feel that they were informed or didn't feel that they understood the situation correctly. That is something that could have been done better. (Joe, Team Lead)

This statement clearly expresses that the limited communication caused employees to feel insufficiently informed and scared about the future as they struggled to make sense of the situation and what this would entail for them. But also, on the MRO-Industries side communication did not go smoothly:

They didn't ask us if we wanted to go to MRO-Digital. They basically told us: “This department is going to be part of MRO-Digital now, your new office and your new colleagues are there and we expect you to be there on Monday!” (Romeo, Team Lead)

As becomes apparent from this quote, MRO-Industries employees felt like they had no choice, that they were presented with a fait accompli to which they had to oblige. For some of them this meant to: “travel 30 kilometer more to work as their office was placed in a different location.” (Amy, Employee). Furthermore, even after the (re)integration, there was hardly any information or support provided by the management team of the newly formed MRO-Digital, as two employees describe:

There was not really any guidance from the management team. You didn't really know where to start. So, some people just did it, and some people didn't know what

to do. I think it took a lot of time to find your place in this. And I think this is also the reason why this migration was not a big success. (Donna, Team Lead)

The other employee adds:

In my opinion, HR would have been the foremost department to help every team and every colleague through the change by coming up with initiatives to help us with the transition. (Hana, Manager)

As these statements indicate, the missing support caused some confusion for the employees and, in their opinion, it prolonged the process as they needed to figure things out themselves and make sense of the change without receiving support by management or the HR department. Additionally, it became apparent that employees were frustrated with the little attention they received and that there was no direction or assistance provided that would help them through this process.

One reason for the few change initiatives in the post-merger phase can be explained by the fact that no one was fully made responsible for taking charge of this project, as the change manager explained to us:

I was a change manager and I was not really supposed to help with the transition from Easy-Tools to MRO-Digital. I was responsible for helping with the implementation of the digital tools that we were building for MRO-Industries. So, I was supposed to look outwards towards MRO-Industries instead of inwards. (Hana, Manager)

As described, her tasks were oriented towards the parent company instead of the internal change management. One of her change initiatives was concerned with facilitating the cooperation between the two organizations. Therefore, two change newsletters were created, translated in 4 languages and sent to all MRO-Industries colleagues to inform them about the digital initiatives that MRO-Digital was working on. When reading both newsletters, we noticed the overly distinct use of the word “we”. It can be assumed that the use of language should signalize that the newly incorporated department belongs to the group and that everyone is pulling on the same string.

Although there was not one responsible person, some change initiatives were still organized by the HR department and some employees. The first mentioned initiative which was organized

by the HR department concerned the physical change of moving to an office with two floors that separated business and technical teams:

I think that the fourth floor is fairly separate from the third floor. We tried resolving this in various ways and so last year we had the coffee roulette.... this was great. You got randomly matched with someone from the other floor and then you had to go for a coffee or for a walk and share a picture in the Whatsapp group of the two of you engaging in that activity. (Ravi, Employee)

As mentioned, this initiative was started to connect the two floors with each other. What is interesting and seems to contradict in this quote is that the employee, on the one hand, states that this event was great but, on the other hand, says that they had to do it. Although it was surely a successful social activity to foster the culture, it is questionable how much it helped as employees continued to state to us that the floors are fairly separate. A fact which we could also observe while visiting the organization as most of the technical teams only came to the third floor for lunch or to play table tennis while the business teams seemed to only go up to the fourth floor if they were involved in technical projects.

Furthermore, HR tried to uphold the culture by organizing events after the alcohol ban took place:

So, we organized many events to substitute the Friday Borrels and it did help but it also left a scar. But I also think that we moved on from that, because again it's your personal choice if you hold on to the past or if you look at how to make the future better. (Maria, Manager)

In this statement, HR states their involvement in facilitating the change when the alcohol ban was introduced which as mentioned before, was an important tradition to the employees. However, the quote also shows that the manager is tired of talking about this topic. For her, it is in the past and dealt with. We believe from what we heard that most employees adjusted to this change. And although it came up in almost every interview, other topics had a greater impact on the employees and the organization.

Another change management initiative, the MRO-Industries Train, was organized to create a mutual understanding between the two organizations and their responsibilities. However, it needs to be mentioned that this initiative was organized by employees and the change manager,

who took the task on although it did not fall within her area of responsibilities. The management of either organization was not involved:

We organized an event last year at MRO-Digital where we invited employees from key departments from MRO-Industries to present something about their area of expertise to MRO-Digital colleagues in sort of a mini-convention slash speed-dating event More recently, we had the follow-up event in which we placed MRO-Digital colleagues into different groups and each group went to one MRO-Industries location to visit that respective department. I think it was a big success because MRO-Digital colleagues needed to be pushed to learn more about MRO-Industries and to also see the amazing things that the colleagues can do and how passionate they are. It really helped to bridge the gap. (Hana, Manager)

The statement gives the impression of a successful project and it was also mentioned by several other employees that they enjoyed these two events. It also shows that MRO-Industries employees are willing to cooperate. Both sides prove thereby their willingness to try to understand each other, to learn from each other, and to make it work. It is however still surprising with how little change management initiatives the organizations managed to make this (re)integration work to the extent that it did. And as already becomes apparent a big part of this success can be allocated to the employees.

4.2.3 A Struggle for the Organization and its Members

The change in combination with the limited information, support and change management had big effects on the organizational culture and identity and consequently on the employees. Although Easy-Tools had been part of the organization, there was limited information provided to the employees and therefore shortly before the move rumors spread which caused identity struggles for some of the employees from MRO-Industries:

We started hearing that we might merge with Easy-Tools. It was all a bit weird, because we only heard stories that Easy-Tools isn't actually performing that well... and I was wondering what we should do in a company where employees behave like kids. (Amy, Employee)

This statement suggests that employees heard before any official communication that something might happen. Additionally, MRO-Industries employees were not aware of the

successful business Easy-Tools was and the prizes the organization had won for their digital platform. She felt that she was being moved to a less prestigious and professional part of the organization. It can be very well imagined that this could lead to friction between the employees from the two organizations as Easy-Tools employees were very proud of their culture and achievements, as mentioned above.

While some employees coming from MRO-Industries struggled with the thought of being part of, in their mind, a less prestigious and less stable environment, other employees said that they could not imagine it being worse than staying where they were:

Working at MRO-Industries was really corporate. Everyone had the same laptop and the same desk. Everything was gray with only two plastic plants that somehow felt like they were gonna die. The curtains were always closed so there was no daylight coming in... So, I thought it cannot get worse than this, the office and the culture of the company cannot be worse. (Romeo, Team Lead)

As becomes apparent from this and the previous statement, the sensemaking and the impressions MRO-Industries employees had from the change are based on their individual working preferences and experiences. When talking to the former Easy-Tools employees the picture they painted of the change and their struggles seemed more coherent. In the same way as some MRO-Industries employees struggled with the change due to their stereotypes, perceptions and assumptions, former Easy-Tools employees struggled with the thought of being part of an organization they formerly had their misunderstandings with:

Easy-Tools was a different company and it was in a way a competitor of MRO-Industries except that we were relying on their shipments. So, if somebody ordered with us, they have to ship it. And they didn't do a good job. We were complaining about them a lot. And now we are MRO-Industries or as a colleague of mine expressed it: "This is so weird, we are now MRO-Industries, we are the people that I always had fights with about their logistical operations". On the other hand, we gave them now the assignment to fix the logistical operation (laughing). (Don, Employee)

This employee describes that the former startup was a competitor as they sold the same products and that at the same time Easy-Tools made use of the parent organizations logistic operations such as warehouses. Thus, the employees of both organizations were exposed to each other's

operational practices. The employees' general impression seems to be that the parent organization wasn't doing a good job. This can be explained by the different customer focus that the two companies had as mentioned on their websites. While MRO-Industries is focusing on big B2B clients, Easy-Tools was serving small and medium-sized businesses. While smaller customers want to receive their orders quickly, larger organizations are prepared to wait for their specialized orders, hence there was a difference in the supply chain. As MRO-Digital is now responsible for the digital transformation of their parent company, one of their tasks was to improve the compatibility of the webshop and the logistical operation. At the end of his statement, the employee was laughing which gave the impression that he cannot yet believe that they are part of this organization and that they are in the position of giving instructions.

However, employees not only struggled to maintain a sense of belonging to an organization of which they formerly were critical towards, employees feel that the organization is struggling to maintain its identity:

We don't require our own customer service anymore as it's all being centralized so we lost a lot of identity with this. (Don, Employee)

Hence, giving up departments as part of the move, caused the organization to lose part of its identity. As it can be imagined it must have been one of the first signs that described their change in areas of responsibility. Another employee adds that he believes that the organization also struggles to maintain a cultural identity:

I think MRO-Digital is a bit lost in terms of what their cultural identity is. They are small enough to have a startup mindset but are still tied to a corporation and must follow their rules (Sheldon, Employee)

The employee describes the difficulties of the organization as they still have their former characteristics of a startup but are now integrated within a bigger cooperation that imposes rules and procedures. Another employee sees the loss in cultural identity in the decrease of focus of the management team and HR:

I think the management of MRO-Digital is doing a shitty job at the moment. Organizational culture and people are very important factors, right? We even had a hiring policy at Easy-Tools, we only employed people with certain characteristics. We totally lost this, and I think HR but also the management team is not doing enough. The management team itself became part of the political game

of MRO-Industries, so they are only trying to prove our value, to prove themselves, to build up their network but they're not focusing enough anymore on the MRO-Digital culture. (Donna, Team Lead)

It becomes very apparent from this statement that employees feel that what made the former startup so special has been lost and that there is little effort put into the culture. Hence, for the employees, the struggle lies not only in the limited change management that accompanied the initial merger but also the engagement and commitment of the management team and HR in the post-merger.

Additionally, employees highlight that MRO-Digital misses the clear organizational identity they once had at Easy-Tools, and that the organization struggles to find its place within the parent organization as two employees state:

When we were Easy-Tools, we had a really clear story to tell. We knew what we were and what we went for. You really knew from the start what you were getting yourself into with all the advantages and disadvantages. But nowadays, if I would have to tell someone about MRO-Digital, it would be very difficult. We are MRO-Industries but we want to be this global digital hub. And already when you explain that story of how we became who we are, it makes it difficult because we have things from both worlds. (Hana, Manager)

The other employee feels that the organization is missing a clear purpose:

The position of MRO-Digital is constantly changing in relation to MRO-Industries. In the first year, we were a vehicle for these digital projects and now we become more integrated, but I think it will change again. (Don, Employee)

By describing that the organization misses a clear story and purpose, the employees hint at another reason for the identity struggle that the (re)integration of the organization caused. Employees seem to struggle to define the goals, values and organizational activities of MRO-Digital and hence struggle to define what their organization is about. Hence, they have also difficulties to explain their organizational purpose and responsibilities to stakeholders. Adding on to this confusion seems to be the constant change in how MRO-Digital stands to MRO-Industries. What started as being the driving force of the organization has changed into being more integrated. The way, the employee expressed this comment shows a certain disappointment or frustration which can be attributed to a loss in purpose. Approaching the

topic from the metaphor of moving back into the parents highlights that through the move the startup struggles with finding a new purpose now that it is not standing on its own feet but supporting the parent in its initiatives.

Part of this inconsistency might be caused by the fact that MRO-Digital is using the values which guided the organizational culture of the startup before the (re)integration, as the employee explains:

We actually still have these [the startup values] on a wall in the MRO-Digital office. Those values like keep it simple, transparency, customer first, I don't even know the others anymore to be honest. But when we get visitors, I very often see them being shown around the office and then whoever MRO-Digital colleague does it, brings them to this room where we have those nice values on the wall and explains to them how we work. And then I'm sometimes thinking that this is a bit hypercritical. Maybe even nostalgic because we're really proud of that but the reality is just different.
(Hana, Manager)

In this statement, the employee criticizes other colleagues that guide guests through the office and explain the organizational values by which they supposedly work. However, the employee states that these former five core values of the Easy-Tools culture, mentioned before, and which she does not fully recall, are not entirely relatable to the new organizational culture and identity. She further describes these employees as hypercritical as they are suggesting organizational standards that do not or only partly exist. A possible explanation, as the employee says herself, is the pride former Easy-Tools employees had about their culture and the sense of belonging they felt. Besides, another employee elaborates on why the reality looks different:

I do think we still act in line those values like transparency and keeping it simple. But it is more difficult nowadays because sometimes you can't say everything, sometimes we're not keeping it simple, some situations are just super complex.
(Ben, Employee)

The employee explains that the organization tries to act on these values but that their new situation makes it harder for them to do so, as in a big cooperation processes and procedures become more complex, and certain insights cannot be shared with all organizational members anymore.

The following statement portrays that although the organization is already in the post-merger phase, employees are not ready to let go of their former culture and identity:

I think they tried to keep some elements of the culture. But it's becoming a mix. We are still not fully integrated with MRO-Industries. We're not 100% gone. We're still our own. And I think everybody who gets asked where they work will always answer with MRO-Digital, and not tell that they work for MRO-Industries. (Madeline, Employee)

The employee in this statement clearly shows that although they are (re)integrated with the parent organization, employees still feel like they are different and they are still identifying as non-MRO-Industries employees by stating that they would always state that they work for MRO-Digital as it better coincides with their characteristics and professional identity. Interesting is as well the expression of “We’re not 100% gone” which hints at their resistance to fully become MRO-Industries and their attempt to keep their own culture as much as possible and which might also hint at the formation of a subculture. A reason could be that employees have been employed based on different selection criteria. While the MRO-Industries career page is looking for people according to their expertise, knowledge and passion for the technical tools and components the Easy-Tools culture looked for data-driven, young, innovative self-starters, as mentioned before.

4.2.4 Professional Identity Struggles

As became apparent from the above statements employees clearly struggle with the change and not only adjusting to a new culture but to a new way of working which has effects on their professional identity. One employee clearly states that he now struggles to identify with the organization:

I think, I represent the earlier values of MRO-Digital and not the current ones, so I don't identify myself with the current culture. (Sheldon, Employee)

Although this is a small statement, it has a great impact. Employees are losing their sense of belonging with the organization as they feel that the previous culture is changing. This is confirmed by the manager’s impression of having hired the wrong people for this new situation:

The reality of processes taking really long, bureaucracy and politics that all belongs to the corporate influence that started having their toll on people... We all did this “management drives” test, and everybody had a very similar color pattern of orange and yellow, which means results-oriented and doing new things. All the things having to do with a corporate organization, so the colors green and purple, none of us have, especially not in the management team... So, we basically hired the wrong people for MRO-Digital. (Jimmy, Manager)

This statement shows that management was and is well aware that most employees that they employed for the former organization do not fit the characteristics of a corporate which explains the struggles employees experience in adjusting to a slower, risk-averse, bureaucratic business. But also, the management team has not the typical characteristics for working in a corporate organization. It is questionable if they really hired the wrong people because, in the end, most people stuck around and proactively helped the organization and themselves to overcome the change related issues.

Other employees indicate that for them the unclarity of the situation and having to find a new position without real support was the greatest struggle:

I think the biggest struggle was that it was unclear. It was not like, now we are MRO-Digital, and this is your position, it was more like now we are MRO-Digital and our responsibility is gone. (Madeline, Employee)

Another employee adds:

In terms of my role disappearing, that was very frightening. From the beginning until mid-2019, I felt like I needed to justify what I'm doing here and what additional value I'm providing to this organization. (Fabio, Employee)

For some employees, the move meant that their previous position would not exist anymore as the department they were working for changed its purpose or was made redundant. Although we have been reassured that all employees were taken over and got the time to find new positions, one can imagine that these employees must have been under great pressure to not only adjust to the change but to also find out who they are now after their position was lost.

Another issue arose from the way of working, as both managers and employees have to adjust their work approach:

If you look at the processes, of course, we were more agile in comparison to now. Now you also have your dependencies of the bigger corporate... So, we can be pretty agile, but we have to wait two to four months to receive data or a change that we would need... That's tough on people. So sometimes having to wait or to find different ways to achieve goals, makes it a little demotivating for people. (Edward, Manager)

This statement summarizes that MRO-Digital is losing the agile way of working due to dependency on information from the parent organization. This caused that the employees felt that they: “lost a lot of velocity” (Ben, Employee). As the organization with its over 7500 employees is large, not all processes are centralized and MRO-Digital is hence only part of the picture for the employees of MRO-Industries, which causes difficulties to adjust for many employees of MRO-Digital.

Furthermore, another employee describes that it is not only agility and velocity they lost but that the new processes and procedures are limiting the level of innovation:

So, we still have an innovative mindset but there is way more reporting, there are more bottlenecks or thresholds. There's way more pressure financially... and there is less room for thinking outside of the box. (Hana, Manager)

This statement shows that employees have difficulties to stay innovative while fulfilling all guidelines and procedures of the parent company while having limited financial resources. Employees also struggle with the increase in stakeholder management as one team lead states:

I am as a person better suited for a startup because I'm really not interested in politics and stakeholder management. I'm more about figuring out something and doing it, instead of explaining myself to people that are unfamiliar with the topics, I am working on ... but the change happened, it is not my decision. (Joe, Team Lead)

As this employee describes, he feels that his personal characteristics are more suited for a startup culture. As the other employees before, he prefers to act fast and talk to people that have the same mindset and technical knowledge instead of explaining and justifying his actions to stakeholders. Interesting is that this employee seems to stay around without really accepting the change. He continues working at the organization although he struggles with his new tasks and responsibilities.

As a result of the changes mentioned above, employees feel that they lost a sense of purpose, as the following comments show:

For me, I like having results and feeling like the work I'm doing is useful. This is very important to me. And after the change that was not there. In combination with the limited support in what we are going to do this was really difficult. (Madeline, Employee)

As this statement of the employee shows, they have to adjust to the new ways of working. While Easy-Tools was very agile and result-oriented, as mentioned before, MRO-Digital is becoming a mix of cultures and the organization has to adjust to the rules and procedures of the parent company. Additionally, this employee describes that their impact is not directly visible anymore and not seeing what she actually contributed, gave her a feeling of discomfort and slight abandonment as there was little support provided by the management.

Another employee not only misses the impact but also working together on one project:

You're not really like working on something sexy, you're not working in a team of 50 or 100 people where you're doing the whole thing and pulling on one string to build something like at Easy-Tools. I feel people really felt like it was just one room of people building something together. So, I'm wondering how much effect we are actually having now. (Ravi, Employee)

This employee, hence, describes two struggles, first, he lacks the technical challenge and how his work contributes to the bigger picture. Second, he misses pulling on one string together with one team as well as the feeling of belonging that comes with working on one project with a larger team. He also refers to the current situation in which the business and technical teams are on two different floors which increases the feeling of not working together on one common goal.

Finally, employees are generally concerned about the decrease in commitment and motivation that seems to happen since the change as one employee expresses:

Overall engagement is lower now. I think people don't feel the passion anymore to make things happen because they don't feel accountable anymore as we are not doing things for ourselves but for someone else ... and the drop in overall engagement is one of the reasons why people are leaving... if you have people

around you whose engagement is quite low then it gets demotivated. (Ben, Employee)

This statement shows the concern of the employee about the decrease in overall commitment and its impact on the organization. He makes an important point as the problem is not that one employee is demotivated or less committed from time to time but that in difficult and challenging situations these feelings can spread which consequently causes employees to think about leaving the organization.

4.3 Making it Work

In the following, we will elaborate on reasons for the organizational members' decision to continue working at MRO-Digital. Additionally, we will describe how they are dealing with the ambiguities of the change, the pressure on their professional identity and how they made the situation work for themselves.

4.3.1 Letting Go of the Past

Firstly, to make the (re)integration work, employees realized the importance of letting go of the past:

I think people really depict Easy-Tools like heaven or something. Not everything was perfect there either. But they just look back and think we had alcohol and a nice lunch where everybody was always mixed and sitting together. Yes, that was super nice but let's be realistic some things were also not that good and are good now (Madeline, Employee)

This employee elaborates on the fact that former Easy-Tools employees are glorifying their prior work situation. Some employees seem to hold on to the past while others are further in their sensemaking. The strong answer from the employee could be an indication that there are internal frictions and differences in perceptions between the ones that let go and the ones that do not. Another employee agrees and adds that job satisfaction also plays a role:

To be honest, the new office is better, and the food is better now... They tried to keep the culture alive but, in the end, it's all about your job projection and if it doesn't fit your personal demands, you'll leave. (Don, Employee)

This employee describes that for him it is not only about the tangible elements and organizational culture but in his opinion, it is about the personal preferences and demands that influence someone's decision of staying or leaving. Furthermore, employees generally believe that moving to a new office helped in letting go of the past:

I think that we moved to another office was really good, then you can put it into two different periods mentally like Easy-Tools is really over and now we are in the new location and everything is new. Let's, make a fresh star (Madeline, Employee)

Hence, the change in offices was not only necessary to make sure that there is enough space for everyone but has also helped the employees to separate themselves from how the business used to be and adjust to their new situation and the new way of working.

4.3.2 Culture as a Reason to Stay

Some of the employees still believe that the culture is worth staying and perceive that the change as having a positive impact on the culture as the following manager summarizes:

We did manage to keep quite a few good things from Easy-Tools, everybody is really fond of each other and we have a lot of parties, and all these other things that are very good about our company like a lot of communication and a lot of young international people. So, all those things were reasons to stay. I have quite a long working career and I haven't really worked for a company with this unique setting. (Jimmy, Manager)

When approaching the topic from the perspective that things have changed but not necessarily for the worst, then it can be assumed that some employees although struggling with the change, decided to stay as they believe that the internal culture of MRO-Digital is still quite unique and as they attempt to maintain a subculture within MRO-Industries. And although this culture contains elements from both worlds, as this manager states for him the good things are still outweighing the bad.

4.3.3 Opportunities

Furthermore, employees engage in sensemaking processes and take ownership to find their way within this process:

It was unfortunate, it would have been great to continue the Easy-Tools adventure for a while... But then, I switched my mindset and decided to just see what this has in stock for us and to tried to make an effort to get to know MRO-Industries. Generally speaking, I don't mind working in a corporate, I was not one of those people who said that if it's not a startup, then it's not fitting. (Hana, Manager)

This statement, although a bit played down, clearly shows that the employees had difficulties. From what we know the change communication was limited and they have been presented with a fait accompli about the merger. Nevertheless, the employees show strength by perceiving it as a chance. This employee describes her path of sensemaking from being disappointed to make the cognitive choice to see the change as something that could also bring opportunities.

Other employees clearly state that they perceived the change as a learning opportunity: “I adapted by trying to learn from it, and also by looking at what is in it for me, and if that is worth staying here.” (Joe, Team Lead). In one form or the other, this was said several times. Many employees see the struggles they had or have but they also perceive it as an opportunity from which they can learn and make new experiences. This was supported by the freedoms they received to develop themselves in other directions which they might have not expected from the parent company before the move, as another employee describes:

I got the freedom to work on those skills. Nobody said: “You cannot do that” I could just develop myself in that way. I think that was really nice. And now we also have a more professional way of working. I think that's way better than we had it before. (Madeline, Employee)

The employee, thereby, not only describes that they had space to develop and adjust but also that she appreciates the more professional way of working. It must, however, be considered that they might not necessarily receive this opportunity to develop from the parent company but instead from the managers of MRO-Digital. Additionally, as this is a specific case, it is questionable if many organizations would give the employees the room to develop themselves and to find a position by themselves.

4.3.4 Taking Ownership

Although it seems like there were little change initiatives or support provided by the management team, employees took it on themselves to find a way that suits them, as the following examples show:

I just did courses in programming to get better at that and feel more confident, that I have more skills, and I can take on more projects later on. So, I was not sleeping at my desk. (Madeline, Employee)

Another employee had a similar approach:

What I missed during the merger is that I was given a job. My job was gone. So, I was in the situation that I felt I had to make it on my own, I really had to dig into my field. And then I also realized that's really missing within MRO-Industries. So, I had to dig into and then justify my role. (Fabio, Employee)

Instead of waiting and hoping that someone would tell them on which projects they would work on next, employees took it upon themselves to educate themselves so that they would fit the new demands. Although it sounds fairly harmonic, it can be imagined that there was a lot of pressure on these employees to find a position that would add value to the company and with which they could justify their employment. It almost seems that “had to” describes their sense of duty to find a purpose and to educate themselves in the direction that the company needed as long as it is in line with their personal goals. Furthermore, another employee is more sarcastic about it and states that in his opinion it is not only a matter of taking ownership but also of being patient and having urgency on your side:

If you join a startup, patience is not the word you use often... So, what helped me was the urgency as the amount of ground clearing and all that political stuff was really difficult. It took a few deep breaths for me.... And then, I made sure that I do things I like, educate others, educate myself, and move on... So, for me, I have to take ownership, I'm not gonna get happier if I don't. But you're a bit in a waiting mode until urgency takes over. (Don, Employee)

Although this employee says that taking ownership is a big part, he also states that he wasn't able to do his job before the parent company recognized the need for the project he was working on. Therefore, he had to be patient and wait. He used this time to educate himself and others so

that they can continue presenting interesting projects. Additionally, managers are trying their best to adjust to the change and take ownership in their domains.

I'm one of the believers and I want to make this work. So, I adopt constantly. Yes, we are less autonomous so the culture is less free, we cannot organize drinks, we cannot decide on the Christmas gifts etc. I need to check most things with headquarters. I'm constantly trying to find a balance, but I believe we can make it work although we have less freedom. (Maria, Manager)

The manager here depicts her own struggles of keeping a balance between two cultures. From her tone, it is clearly recognizable that there is some regret that the culture is suffering from the loss of freedom, but she also displays a strong will of making the best out of it. Almost all employees we talked to share another characteristic, they want to enjoy their job and they are willing to fight for it.

I think if you want to enjoy your job, you need to find a way to cope. But we've also seen people leaving who weren't able to change or didn't get energy from a new situation. (Brenda, Team Lead)

The statement of this employee shows a great willingness, but it almost feels like she is slightly judging other employees that left because they were not able to change or because they decided for themselves that they did not want to stay. This statement also implies that the working environment at MRO-Digital must be quite competitive.

4.3.5 Is MRO-Digital a Subculture of MRO-Industries?

As described in some of the statements above, MRO-Digital is trying to keep some parts of Easy-Tools values and culture. They do not want to become fully integrated within MRO-Industries but differentiate themselves. Hence some of the main distinguishing features they are trying to keep are:

The values, for example, being agile, keep it simple, transparency and stuff, that's what Easy-Tools used to emphasize, and I believe we still have that, core value within MRO-Digital context... So, we are not trying to lose that core value, which was very valuable for a startup, even though we are a part of the big corporation all the digital initiatives come from us. (Fabio, Employee)

Combining this quote with all of the above-mentioned statements, it is apparent that MRO-Digital displays traits of a subculture within the main organization as they are protecting their core values, beliefs and norms. They are not only doing this to distinguish themselves but also to be able to perform and deliver the best solutions for the company. Thereby, they are setting clear boundaries in how far they are willing to change and adapt to the organizational culture of MRO-Industries. They are also prepared to put up some resistance in order to keep what they consider to be important. A good example has been provided by one of the managers who has fought for what he deemed was important:

“You just have to take Dell and live with it”, they said. So, we had to really fight and stand our grounds to keep certain things that we built, that we worked for and built upon. That was a bit difficult. And people saw that it seems like MRO-Industries wants to take away certain things. It's not really the case, they just want to standardize the IT technology and those kinds of things. But don't touch the laptops of people right, people will get angry (chuckles). (Edward, manager)

By standing up to the parent company certain boundaries and the changes that would be acceptable to MRO-Digital were set. It was also an important gesture towards the employees of MRO-Digital as it showed that managers are trying to protect some of the elements that have meaning for the employees. Thereby, they again show that they do not want to completely integrate with MRO-Industries. This is not considered to be a bad development as one of the managers states:

So, it's not bad that we get different subcultures, as long as they understand from one another, what they're doing and accept it from another. (Harvey, Manager)

Being aware of the challenges that they are facing with being a subculture within the overall organization, the management is trying to find the best solution to ensure that both parties are informed which is in their opinion the key for coexistence.

4.3.6 A New Organizational Identity Forms

As the companies learn more about each other they become more aware of the advantages that might serve for the development or making the processes easier:

People from MRO-Industries know now what we are about and what we can do. So people at MRO-Industries are starting to be aware of the possibilities. And that's really cool. (Diana, Employee)

As it becomes apparent MRO-Industries employees have recognized some of the advantages of MRO-Digital and they start taking advantage of the digital solutions MRO-Digital offers. Even though it seems like a small step, employees of MRO-Digital seem to have fought for this acceptance and it hence depicts a first step towards a better cooperation and feeling of connectedness. And now after 1.5 years of being in the initial (re)integration phase and going through the ups and downs described above, a new organizational identity seems to form:

So we also decided on how to position ourselves as an organization. Are we, MRO-Digital, providers of solutions or are we working with the business? And we came up with this visual: MRO-Industries is a large boat and we are the pilot boat that tries to steer the big boat in a different direction, but we cannot tow the boat. We cannot change the company; we can just steer it in a slightly different direction. With this visual we also try to adjust the expectations of MRO-Industries and how they should see and use us. (Jimmy, Manager)

The metaphor indicates that MRO-Digital has started to find its place within the organization and that they are able to define their purpose towards the parent organization and others. It, however, also shows some disappointment that they are not the driving force but instead, as the manager states, trying to steer the big organization. This also indicates that he is very much aware that MRO-Industries could also decide that they do not want to be guided in certain directions. Nevertheless, this is not the only metaphor the organization tries to define its new identity with. One of the team leads provided us with the following explanation:

As MRO-Digital we are basically the training wheels you put on the bike and the bike is MRO-Industries. So, we are facilitating, and we don't have our own responsibility regarding the sales that MRO-Industries makes... So, we basically work as an agency, helping them, advising them and taking some work from them (Joe, Team Lead)

In contrast to the previous new description of the organization, this one focuses on being the facilitator instead of the steering force of the big cooperation. Hence while one metaphor indicates that MRO-Digital is guiding the parent, the other states that they are supporting the

parent. It, hence, becomes clear that the organization is not there yet. They are still in search of their purpose and identity.

4.4 Summary Empirical Data

In conclusion, we found that the two organizations, although different in maturity, share some overlapping values that provide a sense of familiarity to the employees of MRO-Digital. Nevertheless, moving back in with the parent organization had a great effect on the organizational culture of the former startup as they now had to obey to rules and regulations of the parent company MRO-Industries. The unclarity in purpose, goals, and values has an impact on the organizational identity which consequently affects the employees who felt that the organization has partly lost its identity and who were struggling to make sense and to adjust to the new situation. Additionally, the limited communication and change management initiatives add on to the employees' decreasing sense of belonging and commitment.

To deal with the change and the new situation, employees are trying to see the new situation as an opportunity to develop or learn something new and are attempting to go against their impatient nature. Others indicate that they stay for the culture and the working environment which for them is something unique and special. And as described the ones that can't adjust or who do not find a position that suits them, leave. Finally, organizational members took it on to make the situation work for themselves, to renegotiate the organizational culture, which currently exists as a subculture of MRO-Industries, and to guide MRO-Digital towards a new identity.

5 Discussion

In this chapter, we connect the literature review which had a focus on culture and identity in merger situations with our collected empirical data. The gathered data will be presented in three main subchapters that are in line with the division of our empirical data. We are, hence, also in the discussion sticking with the metaphor of moving back in with the parents.

5.1 The Move and two different Worlds

The empirical findings portray two different organizations, a parent and a daughter company. As described, a small team of the parent organization MRO-Industries was together with the daughter company Easy-Tools merged into the new organization MRO-Digital. As one was a startup and the other a corporate, both organizations had opposing cultures. Our research further shows that the parent and daughter company are very different in their business approach. However, Jackson (2019) points out that for a merger to be successful there needs to be a certain level of compatibility. In our case, it became apparent that these organizations have overlapping cultural values, such as, customer centricity, result-orientation and passion.

According to Hofstede (1991) and Kunda (1992) organizational culture is used to guide the behavior of the organizational members. Our findings correlate with this as they portray that the different organizational values influenced the behavior of the employees. For example, while the employees of the parent organization seem rather careful in their business approach, the employees of the former startup are eager to try out new things and work on a trial-and-error basis. On the other hand, Swidler (1986) asserts that employees use cultural elements as a toolkit for their behavior and to give meaning to their actions. As the culture of MRO-Digital was in the beginning mainly based on the cultural elements of Easy-Tools, employees used these elements to give meaning to the new situation and adjust their behavior accordingly. However, as suggested by Cartwright and Cooper (1990) and Tienari and Vaara (2016) adapting to another culture can lead to conflicts between merger parties, cultural differences and identity struggles. Coinciding with them our empirical findings show that employees struggle to adjust to the way of working, deviating norms and power related issues. Employees of Easy-Tools focused in the beginning of the merger process mainly on the differences overlapping with Risberg's (1997) interpretation of Martin's (1992) differentiation perspective in which it is assumed that merger parties focus on differences and ignore possible compatibilities at first.

5.2 Living under One Roof and its Challenges

With the move to MRO-Digital first changes in the culture and values become apparent. Adjusting to the new situation, to another culture and another way of doing business, had great effects on the organizational culture, identity and the organizational members.

5.2.1 The First effects of the Move

To begin with, Drori, Wrzesniewski, and Ellis (2013) suggest that organizational members are generally aware that mergers bring changes to the organization and work processes. In correlation, the organizational members in our case were aware that this (re)integration would have a big impact on their organizational culture and identity and that they needed to adjust as expressed by one of the manager “Whenever you do a merge like this, you let go of a part of your DNA”. This included people leaving who got scared or refused adjusting to a corporate. As described by Cartwright and Cooper (1990) this is a normal reaction as a merger causes stress and anxiety.

Furthermore, according to Vaara (2003) cultural differences in communication and decision-making processes can lead to ambiguities during a post-merger. We agree, as new hires and the people joining from MRO-Industries took a toll on the organizational culture. Additionally, employees from the former startup struggled to adapt to the new procedures and governance which caused additional ambiguities in behavioral norms. Van Knippenberg et al. (2002), elaborate that it is usually the more dominant organization that determines the future shape of the organization. In our case we see two major incidents that describe the parent organization’s attempts to direct the culture of the newly merged organization MRO-Digital as they try to control the organization by imposing rules and regulations on business processes and on cultural elements such as events.

Next to changing working processes, the no-alcohol policy, although substituted by alternative events, had negative implications on the culture. Canato, Ravasi, and Phillips (2013) elaborate that even minor changes in main traditions might not be accepted if not in line with the employee’s beliefs or values of the previous culture which explains why in our case employees struggled to accept the change to their cherished Friday Drinks. In accordance with Schein (2010) the refusal of the substitute events could also be explained based on the incomparability with their underlying assumptions that were represented in the former culture of Easy-Tools.

5.2.2 Support and Change Management

One point that stands out in our research are the limited communication and change management initiatives that were provided to the organizational members and which were criticized by both employees and managers. As a merger generally implies a certain degree of discontinuity as described by van Knippenberg et al. (2002), researchers such as Jackson (2019) and Ravasi and Schultz (2006) suggest initiatives to help organizational members to rely on former values and rooted cultural elements and artifacts. As in our case change management and support provided by management was limited, some employees struggled to rely on these former values and cultural elements that should have helped them to establish a sense of continuity. We hence believe in line with Jackson (2019) and Ravasi and Schultz (2006) that more change management initiatives might have made the process for employees easier.

By focusing on the ambiguity perspective used by Martin (1992) in combination with the interpretation provided by Risberg (1997) in relation to mergers, we took the complexities of the (re)integration and the ambiguities of the change management and communication initiatives, their symbolic meanings and the intricacy of the organizational members' sensemaking processes into account. We, thereby, found that the limited communication and change management had different implications on individuals. Some struggled as they missed support and felt left alone while others experienced the transition more smoothly. Next to the individual level, we also found on an organizational level that the limited communication and change management initiatives led to both merger sides having certain assumptions and stereotypes about the respective other which increased the uncertainty about the situation. This also correlates with Risberg (1997) who states that ambiguities are often caused by insufficient and vague communication. Furthermore, the ambiguous communication which led to rumors and increased the employees' insecurity and frustration about the process also falls in line with the results of Brown and Humphrey (2003) who claim that change initiatives are an essential part to support employees and to minimize the degree of negative feelings that arise during a merger process. It can hence also be assumed that Schein's (2009) suggestion of planning shared events with both merger parties to decrease negative cultural impacts is justified.

Furthermore, researchers such as Dutton and Dukerich (1991) have highlighted the importance of management communication during mergers to influence the organizational members' sensemaking. Our findings correlate to an extent as our interviewees elaborated on the difficulties, they had in making sense of the change and that it took some time until they had

understood the new organizational purpose and found their place within the new situation. Furthermore, Alvesson (2001) describes the necessity of cultural control to influence organizational members' values, ideas, beliefs, and emotions as well as to support their identification processes. We agree with Alvesson (2001), as our findings clearly show that employees and managers had difficulties to understand the new organizational identity and to adjust their professional identity. However, we cannot say if change management and a better communication would have influenced the degree to which employees were concerned, confused and felt left alone. Especially, because we could not confirm the claim of Maguire and Phillips (2008) who state that a lack of change management would lead to a decrease of trust. Although the participants of our research complained about the limited change management, we could not find that their trust was significantly reduced.

On the contrary, it is surprising that some of the employees took it on themselves to organize change initiatives. This represents a high degree of employee identification with the organization and hence organizational belonging as suggested by Turner et al. (1987). This influences the employee's behavior from acting in the organizations best interest as suggested by Mael and Ashforth (1992) to organizational citizenship behavior as described by Dutton, Dukerich and Harquail (1994). We can conclude that some employees of MRO-Digital felt a strong belonging to their former organization as they organized an important change initiative that led to an increase of mutual understanding between both merger parties and thereby positively influenced the change process.

5.2.3 A Struggle for the Organizations and its Members

Although we found, as suggested by Whetten (2006) and Hatch and Schultz (1997) that the management of the former startup had attempted to define central, distinctive and enduring features of the organization to construct the organizational identity, our findings regarding the degree of uniformity of interpretation of organizational members coincide with Corley et al. (2006) and Alvesson and Robertson (2016) who were doubtful that central features would be uniformly interpreted by all organizational members. Based on our findings, we agree and claim that organizational members have different interpretations of the fundamental and distinctive characteristics of their organization and that these can change through self-reflection as also suggested by Pratt (2003). The proof is thereby provided by the contradictory statements of both employees and managers if the former organizational values are still fully applicable to the newly merged organization. Hence, our findings also correlate with Gioia and Hamilton

(2016) and Hatch and Schultz (2002) who assert that organizational identity is a dynamic process that is influenced by the understandings and meanings of organizational members as well as institutional and external forces and which is constantly renegotiated through interactions of organizational members and stakeholders.

Additionally, Hatch and Schultz (2000) and Ravasi and Schultz (2006) claim that the organizational identity closely relates to the professional identity. Their opinion also correlates with our findings as organizational members had difficulties to define their professional identity while the organizational identity was ambiguous as areas of responsibilities needed to be renegotiated. Hence, as suggested by Gioia and Hamilton (2016) and Ravasi and Schultz (2006), we can conclude that the organizational identity provides sensegiving aspects to its organizational members while organizational members' sensemaking influences the organizational identity.

When taking the organizational members of a merger into consideration, many researchers, for example, Cartwright and Cooper (1990), Teerikangas and Very (2006), and Tienari and Vaara (2016) elaborate that cultural differences and identity struggles can cause stress, frustrations, dissatisfaction and fears. Our findings resonate with their claim as organizational members were frustrated by new working approaches, dissatisfied with change management and support and feared not being able to provide value to the organization. Furthermore, van Knippenberg et al. (2002) suggest that an additional stress factor is the change in group membership which organizational members are likely to experience during a merger. As during this (re)integration, individuals from both MRO-Industries and Easy-Tools merged into one new organization with a new purpose, members of both parties experienced a change in group membership and thereby our findings coincide with van Knippenberg et al. (2002).

Although we found that employees from MRO-Industries and the former startup struggled, it has to be considered that for each individual, we interviewed, the (re)integration had different impacts on the organizational members depending on their current situation, their background and former experiences, which is in line with Martin (1992) and Risberg (1997) who elaborate that organizations are complex and consist of ambiguities which cannot be generalized. Therefore, some individuals struggled more while others went through a fairly easy sensemaking process. For example, while one employee of MRO-Industries had difficulties with the perception of being forced to work for a less prestigious organization, another experienced it as an opportunity to escape a situation he was unsatisfied with. Additionally,

almost all interviewed former Easy-Tools employees struggled to be part of an organization that they previously perceived as less prestigious due to its outdated practices. Our empirical findings thereby also coincide with the research of Alvesson (2001) and Elsbach and Kramer (1996) who mention that a perceived loss or change of organizational prestige can cause identity struggles. Furthermore, van Knippenberg and van Leeuwen (2001) contribute that the stronger the identification with the organization, the more difficulties do employees usually experience. This becomes also apparent in our case as some employees have identified more than others with their former organizations and hence, we found different degrees of professional identity struggles.

As mentioned, providing a sense of continuity is advised by many researchers to support the employees' sensemaking. Rousseau (1998), for example, suggests to provide signals of employment continuation and physical reminders of the past, van Knippenberg and van Leeuwen (2001) advise to reinforce former cultural elements and Ullrich, Wieseke, and van Dick (2005) recommend to communicate a future plan and vision. We know from our interviewees that their employment was continued although their initial positions changed. It must, however, be considered that some of our interviewees stated that they had difficulties with finding a new position and which also included pressure to prove their value to organization and managers. Thereby, our results overlap with Vaara (2001) who states that politics and power dynamics in combination with changing role identities might cause tensions and identity struggles. Furthermore, although a future vision was communicated, employees reported that this vision was constantly changing. It can, therefore, be concluded that this must have negatively influenced any feeling of continuity. On the other hand, the organization seems to have kept some elements of the former culture and physical reminders of them which in our case seem to have also added a certain element of confusion as employees were unsure about their validity. We, therefore, agree with Rousseau's (1998) and Ullrich, Wieseke, and van Dick's (2005) recommendation of providing a sense of continuation but perceive van Knippenberg and van Leeuwen's (2001) advice as critical as, in our case, physical reminders of the organizational values added to the employees identity struggles. Our findings hence also overlap with Drori, Wrzesniewski, and Ellis (2013) who question the usefulness of keeping physical reminders as it might influence the employee's ability to let go of the past.

Furthermore, Corley (2004) and Ravasi (2016) elaborate on the likeliness of employee resistance during mergers. In our case, resistance can be described as limited. The only

resistance was visible in the unwillingness of employees to fully let go of their former organizational culture and identity which became especially apparent when one employee claimed: “We're not 100% gone. We're still our own”. It can also be argued that their strong sense of belonging to the previous culture, as formerly described by Pfeffer (1994) decreased resistance as members have better resilience to change and as elaborated on by Mael and Ashforth (1992) are more inclined to act in the best interest of the organization. Additionally, Alvesson (2002) describes that ambiguities in organizational culture and identity during a merger can lead to a drop in overall commitment and motivation, while Schoenberg (2006) adds that the associated negative feelings can lead to a reduction in performance. Our findings correlate with both Alvesson (2002) and Schoenberg (2006) as our employees clearly state that the change and the limited change management unfavorably influence the degree of overall motivation and job commitment.

5.3 Making it Work

Ashforth and Mael (1989) and Corley and Gioia (2004) summarize that mergers generally consist of a mix of fears, threats to the identity as well as opportunities for the organization and its members. As became apparent above organizational members had fears about the process and the merger caused threats to the organizational and professional identity. In the following we will describe what opportunities arise and how individuals and the organization deal with the change.

5.3.1 Employee Adjustment

In order for a successful merger outcome, Drori, Wrzesniewski, and Ellis (2013) describe in their research that letting go of the past is an important step to allow a new identity to form. Additionally, Brown and Humphreys (2003) and Tienari and Vaara (2016) claim that it is important that employees let go of stereotypes and assumptions they have about the other merger party. Our results show that employees and managers struggled to let go of the past and stereotypes, and to adjust to their new situation, new work approaches and procedures. After some time, employees engaged in sensemaking activities to understand the change, to let go, and to focus on the future. As in our research, especially the employees speak about letting go of the past and realize that some of their feelings are nostalgia, our findings complement Drori, Wrzesniewski, and Ellis' (2013) study. Nevertheless, as some employees continue to resist to fully adapt, as mentioned above, we are doubtful if some of them fully disidentified with the

former organization, which has also been a concern that Rousseau (1998) mentions in her findings.

Besides, Drori, Wrzesniewski, and Ellis (2013) highlight the importance of employees' sensemaking processes in mergers. In our case employees sensemaking included to perceive the situation as an opportunity from which they could learn and become more professional. Additionally, they took ownership to organize themselves and to find a new way of working. Others who had lost their previous position, used the change to expand their knowledge of their own and adjacent fields of expertise. Furthermore, as many employees stayed and tried to perceive the change as an opportunity and fought to make the best out of the situation, we believe that their sense of belonging to their former organizations gave them motivation to act in its best interest and therefore agree with Pfeffer (1994) and Mael and Ashforth (1992) who, as mentioned above, emphasize the importance of organizational belonging in a change situation. However, it must be considered that they have been given the freedom by the organization to educate themselves so that they fit in the new organization.

Furthermore, from the point of view of Alvesson (2001) the creation of a strong organizational culture through selection procedures that aim at cultural fit and in which individuals identify themselves with their work and the collective can be described as subjectification. Although in our case the organizational culture and identity has changed and lost part of its former attractiveness to the employees, many mention that the culture is special enough for them to stay. We hence can conclude that a subjectification process took place when creating the Easy-Tools culture and that this once strong organizational culture provided a sense of belonging and therewith, as mentioned before, resilience to change (Jackson, 2019; Pfeffer, 1994).

5.3.2 MRO-Digital as a Subculture of MRO-Industries

Employees who have decided to stay, have faced a lot of challenges with the change. As it has been implied by van Knippenberg et al. (2002), a change always implies a certain level of discontinuity as employees often feel obliged to adapt to the more dominant organization. They suggest to allow subcultures by keeping certain culture and identity elements to provide a sense of continuity. We could also observe this as certain values of the Easy-Tool culture remained after the (re)integration. Moreover, Trice (1993) adds that the main ideologies persist but the forms change. Our findings correlate because some of the core startup values are still present and the changes were mostly visible in the slight adjustments to the new rules and regulations

but also by trying to standardize processes and office equipment. Hence, with the move tangible and social boundaries needed to be renegotiated as suggested by Drori, Wrzesniewski, and Ellis (2013) and Scott (2004). According to Alvesson (2001) this can be perceived as a control mechanism of normalization which sets behavioral standards. We agree that there is a certain degree of control involved as the parent company tries to standardize and to enforce procedures that impact the way of working of employees. On the other hand, Canato, Ravasi, and Phillips (2013) suggest that organizational members will also make use of boundaries to show in situations of change how far they are willing to adjust. Our findings confirm that organizational members were willing to adjust to some changes but resisted against others such as using different laptops and thereby set boundaries to the parent organization. Furthermore, Schein and Schein (2019) elaborate that the subcultures, for example, form based on different expertise. This also happened in our case in which MRO-Digital needs a certain culture to perform their tasks of guiding the digital transformation of MRO-Industries.

Furthermore, Corley et al. (2006) and Scott and Lane (2000) elaborate in their research that organizational members use the organizational identity to differentiate themselves from others. Thereby, they try to set distinguishable boundaries as described by Hernes (2004). We can confirm their findings as several employees described differences between both merger parties or that they would always say they work for MRO-Digital instead of MRO-Industries as it would indicate that they are employed at a modern and innovative organization. This statement thereby also sets a guideline to how far the organizational members are willing to adjust to a new culture and identity which coincides with the findings of Canato, Ravasi, and Phillips (2013). Additionally, it confirms the results of Dutton and Dukerich (1991) that the organizational members' feeling of belonging depends on their perceived organizational identity and the constructed external image of the organization.

However, if following the ambiguity perspective by Martin (2002), it is presumed that subcultures naturally exist which would mean that formations of subcultures is something common and does not need to be perceived as a negative development. Our impression of this has been confirmed by one of the managers who felt that subcultures are unproblematic as long as they understand each other. According to Clark et al. (2010) during a merger a transitional organizational identity can form. Although we believe that MRO-Digital has characteristics of a subculture, only time will tell if MRO-Digital will persevere as a subculture or if it is only a transitional identity that is meant to make the change easier on the organizational members.

5.3.3 Overall Organizational Adjustment

Based on Schein and Schein (2019), we realized that both cultures have some overlapping values and underlying assumptions which might have supported the change process. Furthermore, Corley and Gioia (2004) and Schultz (2016) assert that identity adjustments are caused by external changes and endangerments of the perceived identity. As in our case, the former identity was threatened by the merger, we saw that there were some identity struggles, but in the end the organization and its members seem to have found a new identity.

As previously suggested, Drori, Wrzesniewski, and Ellis (2013) focused on the importance of sense making processes and the adjustment of boundaries through this process. The interviewees in our case have shown that they have renegotiated their interpretation of the organizational culture, its identity, and their own professional identity through believing that they could learn from it, perceiving it as an opportunity and by the formation of a subculture. We, therefore, as mentioned before, agree with Drori, Wrzesniewski, and Ellis, (2013) on the importance of sensemaking processes during a merger. Hearing the stories of our participants about the new organization and explaining in which connection it stands towards the parent organization proves that employees and managers use language to make sense of a situation and their identity. Thereby, this outcome relates to Ashforth, Rogers, and Corley (2011), Tienari and Vaara (2016), and Weick, Sutcliffe, and Obstfeld (2005) who agree that identity is constructed through language-related activities such as narratives and storytelling. Furthermore, Rindova, Dalpiaz, and Ravasi (2011) state that employees can only adjust to a new organizational identity if the change is accompanied by new identity claims. Thereby, organizational members set new tangible, social and cognitive boundaries to differentiate themselves as suggested by Hernes (2004). We agree as it became apparent that these new identity forms were very important for the organizational members to, not only, understand the new organizational identity but to make sense of their role and professional identity as well as to define how they distinguish themselves from the parent organization. As the change management was limited and hence new identity claims seem to not have been provided, it can be concluded that the organizations were quite fortunate in having built such a strong culture in which employees endured, did their best to make it work, and to find their own identity claims.

As suggested by Alvesson and Robertson (2016), Hatch and Schultz (2002) and Scott and Lane (2000), it needs to be considered that certain power dynamics play a role in the constant renegotiation of the organizational identity boundaries of organizational members and

stakeholders. We identified that organizational members seem to rely on the sensemaking of their superiors or other stakeholders in making sense of the new organizational identity. Nevertheless, as some employees clearly took ownership to make sense of the situation, to organize a change management initiative and to change their mindset shows that they are very capable to navigate through power- and status-related dynamics as implied by Hogg and Terry, and van Knippenberg et al. (2002).

Finally, as both organizations seem to have participated with some cultural and identity elements, we couldn't confirm that there was a more dominant party that determined the future shape of the organization as suggested by van Knippenberg et al. (2002), and Tienari and Vaara (2016). Additionally, we couldn't identify that one organization felt inferior and would have adjusted as suggested by Drori, Wrzesniewski, and Ellis (2013). We, therefore, feel that our findings coincide with Hogg and Terry (2000) who claim that generally organizational members try to hold on to their cultural values. It might be more likely that organizational members of both sides feared losing some of their prestige statuses which led to the negotiation of a new collective identity. Our findings hence overlap with Hofstede, Hofstede and Minkov (2010) who conclude that organizational members are the ones that need to adjust and that the organizational culture does not necessarily change but that it keeps its most relevant attributes.

5.4 Summary Discussion

Throughout this chapter we have discussed our findings and compared them to the outcomes of other research. We can conclude that our results overlap to a great extent with previous research. We, thereby, confirm the importance of providing a sense of belonging and stability during a merger as well as the significance of a compatibility between the merger parties. Additionally, we validate the negative impacts a merger can have on the organizational culture and identity as in our case the (re)integration led to ambiguities in cultural values and the organizational identity. Furthermore, the organizational members struggled with adjusting to the new situation which had an impact on their professional identity and caused a decrease in overall engagement. We, however, as suggested could not confirm a loss in trust which has been suggested to occur when change management is limited. Finally, to a certain degree a successful outcome of our (re)integration can be assigned to the sensemaking activities of the organizational members which, as previously suggested, led to the renegotiation of boundaries and a new organizational purpose.

6 Conclusion

This study aimed to increase the understanding of the impact on organizational members, organizational culture and organizational identity during a (re)integration process of a startup into its parent company. Therefore, we conducted a case study of such an organization in the post-merger phase. To collect empirical data, we focused primarily on interviews. The following chapter outlines our main conclusions in line with our research questions, theoretical contributions, limitations, practical implication and will provide suggestions for future research.

6.1 Main Findings

Our first finding concerns the impacts on organizational culture and identity. From our empirical data, it became apparent that the involved organizations differed. Therefore, the (re)integration had implications on the former startup culture and identity as they had to let go of part of their DNA. On the one hand, the organizational culture struggled with the addition of new employees, the ambiguity of cultural values, as some of their former core values did not coincide with this big cooperation, and the new rules, procedures and standards that were imposed and which impacted behavioral norms. The organizational identity, on the other hand, struggled as the central, fundamental and distinctive features became ambiguous and areas of responsibility needed to be renegotiated. Depending on the subject, one of the organizations prevailed against the opinions and ideas of the other. For example, the parent company MRO-Industries managed to push MRO-Digital to grow up and to obey their rules and regulations, while the former startup maintained their preferred working systems as well as managed to preserve part of their former cultural characteristics which they required to continue their exploration-focused work approach. Although the parent organization made attempts to influence the new culture and identity, we conclude that their impact was not significant enough to confirm their domination in shaping the new organization. From our perspective the new organizational culture and identity was mainly formed by the organizational members who renegotiated boundaries by sensemaking activities and by adjusting organizational processes to the new purpose. Additionally, we believe that the renegotiated boundaries helped in the formation of the new subculture.

Our second finding deals with the role the former organizational culture and identity played in the post-(re)integration. The values of the organizational culture, the strong community and organizational identity provided a behavior guide for the organizational members. Furthermore, the organizational culture and identity played a role in the sense giving of organizational members. Although both culture and identity did suffer under the change, they were stable enough and management provided a sufficient sense of continuity through the communication of future plans that organizational members felt a sufficient amount of organizational belonging which seemed to have decreased resistance, has offered sensemaking elements and provided motivation to put effort in making the change work. Additionally, the organizational culture set boundaries for acceptable change, which, on the one hand, provided a sense of stability but, on the other, caused organizational members difficulties to adjust if changes were not in line with their former beliefs and values. However, the organization also kept physical reminders of cultural elements to signal a continuation which caused confusions and difficulties for employees to let go of the past. Finally, we believe that the ambiguities in organizational culture and identity which might be caused through limited change management, might have led to a drop in overall commitment and job performance.

Our third finding discusses how organizational members have been affected by the change. The organizational members initially experienced anxiety in connection to the change, frustrations about working processes and cultural differences, dissatisfaction about limited change management and support, and fear concerning their value. Some employees felt obliged to adapt and struggled under the limited support to make sense of the new organizational identity and to adjust their professional identity. Additional stress was caused by the change in group membership organizational members experienced and their perception of working for a less prestigious company. Moreover, organizational members struggled letting go of the old culture as they had a strong sense of organizational belonging to the former organization and because physical reminders of the former values caused uncertainty about current organizational values. The employees tried to renegotiate organizational boundaries and to adjust their professional identity which was further influenced by power dynamics in form of behavior expectation, feedback of others and changing role dynamics. Furthermore, their great sense of belonging to the old culture can be correlated to their unwillingness to fully integrate into the parent company. We believe that a clearer involvement of management in the change processes would have reduced the feelings of insecurity and ambiguity of organizational members as they might have been able to rely on former cultural elements and facilitated their sense making. This could

have also helped decrease the drop of overall motivation, commitment and job performance which had an effect on the organizational atmosphere. Nevertheless, our findings do not confirm that there was a significant decrease in trust of the employees towards the management, which seems surprising for a merger situation with limited change management.

Finally, it needs to be considered that each employee experienced the change differently depending on their former experiences, how much their position was impacted by the change and how their sensemaking processes influenced their perception of the change as positive or negative. In the process some employees left as they either felt that the new situation did not coincide with their professional identity or because they were not able to adjust. Our outcomes are therefore highly individual and context dependent.

Our last finding elaborates on the contribution of organizational members to the outcome of the (re)integration. Our results clearly showed that the organizational members were determined to make it work and hence demonstrated a high organizational identification. They let go of the past, took ownership and engaged in activities that would ensure that they add value to the new organization. Another important contribution was their engagement in organizing own change initiatives to balance out the limited change management and to facilitate the mutual understanding between the organizations. Furthermore, organizational members renegotiated boundaries, they became more professional and adjusted some of their working processes but also ensured that certain elements of their previous culture and identity would continue to exist. Thereby their underlying assumptions, former values and beliefs guided their sensemaking which led to a newly negotiated identity that fits the current purpose of the organization. In the end, the organizational members contribution and boundary negotiation led to the development of a subculture within MRO-Industries which reflects a compromise between the parent and former daughter company.

6.1.1 Final Remarks

In conclusion, our results have been relatively harmonic for a post-merger situation. Interviewees did not mention many frictions or tension that would be unusual for such a situation. Most important were the changes in the way of working as well as organizational culture and identity that caused identity struggles for the employees. One of the main elements of the successful (re)integration were the overlapping values and underlying assumptions of both organizational cultures. Although managers played a key role in the culture formation and

its further cultivation of the former startup, their dedication to offer change management initiatives and support was limited. It revealed that employees had to rely to a large degree on their own sensemaking capabilities. It can therefore be said that management was fortunate that they had built a strong culture with employees that take ownership of their own professional happiness. Although we conclude that the employees are playing a major role in the (re)integration, it also needs to be considered that there existed a certain degree of familiarity between the two organizations since they were parent and daughter company. Finally, change management and change initiatives are usually an important factor during mergers. By relying on our empirical data and comparing this with former research, we believe that change management initiatives would have facilitated the process as it would have supported the employees' sensemaking.

6.2 Theoretical Contribution

As outlined in the introduction of our thesis there has been a considerable amount of research contributions to the fields of mergers and acquisitions, organizational culture and identity and how these are impacted during mergers (Alvesson, 2002; Martin, 2002; van Knippenberg et al., 2002; Brown & Humphreys, 2003; Risberg, 1997). The topic of identity construction in mergers has, however, received less attention (Tienari & Vaara, 2016). Our case which describes the (re)integration of a startup into the parent organization and its impacts on organizational members, culture and identity seems to be unique within the field of mergers and acquisitions. Consequently, we are contributing to the context of varieties of mergers and acquisition situations. Furthermore, our findings are strengthening previous research as it confirms the impact mergers have on organizational cultures (Cartwright & Cooper, 1990; Risberg, 1997) and identity (Gioia & Hamilton, 2016) as well as the struggles that some organizational members experience in their identity construction (Hogg & Terry, 2000; Tienari & Vaara, 2016). Hence, it can be concluded that (re)integrations do not majorly differ from merger situations. However, we show that in contrast to typical merger situations, there is a certain degree of familiarity between the cultures that support the change process. Our thesis results, thereby, show that a high degree of familiarity facilitates the merger process and might even allow for limited amounts of change initiatives provided that there is a strong sense of belonging. In this context, our results differ from research that concluded that there is usually a loss of trust in management if there are not sufficient change initiatives (Maguire & Phillips, 2008). We attribute our divergent findings to a higher degree of familiarity and a strong

organizational belonging of members. Finally, our findings also support the outcomes of researchers who claim that organizational members are the most important factor in the outcome of a merger (Hofstede, Hofstede and Minkov, 2010).

6.3 Limitations

Throughout our research it became obvious that our case company MRO-Digital and its connection to the parent organization MRO-Industries can be considered as complex. The complicated governance structure of MRO-Industries added to the complexity of post-merger situation. On the one hand, this makes for a very interesting case, on the other hand, we feel that a longitudinal study would have facilitated the outcomes and would have allowed for a more differentiated perspective. This is aggravated by the fact that the repercussions of the COVID-19 pandemic limited our opportunities to conduct sufficient observations as we were unable to visit the office another time and could therefore not interview and observe the participants in their work environment. Hence, our perceptions of the organizational cultures of Easy-Tools, MRO-Digital and MRO-Industries have been mostly influenced by the stories we were told, documents available online and by previous observations made by one of the researchers. Our opinions might, therefore, be biased as we could only rely to a small extent on our own observations.

6.4 Future Research

To gain more insight into this context of a (re)integration of a startup into the parent company further research needs to be conducted. As it is visible from the presented empirical material, there are several different paths that emerge regarding organizational culture and identity. We hope to have inspired future researchers to focus on this context and to explore some topics in more detail. As our findings suggest that a decrease in trust is an insignificant issue, we would like to encourage future research to address this topic further as we believe that this might be an influential factor in the outcome of a (re)integration.

Furthermore, as we only focused on organizational members of the newly merged organization, it would be interesting to conduct an in-depth study with organizational members working at the parent organization as well as to hear more opinions from individuals that left before and during the (re)integration process.

In connection to our previous suggestion, we believe it would be interesting to conduct research on the impact the (re)integration had on the parent organization. Our interview responses implied that both merger parties had certain assumptions and stereotypes about the respective other. It can hence be assumed that the (re)integration has also certain influence on the parent organization. Thus, we suggest to investigate the perspectives organizational members of the parent organization have about the (re)integration.

Finally, as our research only takes one case into consideration, it would be interesting to expand this research and investigate other organizations that experience the (re)integration of a startup into the parent organization. This could, for example, lead to additional insights in topics such as the influence of a strong culture. Subsequently outcomes of several studies with the same context could be compared and the outcomes could be contrasted to the results of the overall research of culture and identity in mergers and acquisitions.

6.5 Practical Implications

Our case, as many others, shows that mergers are no easy undertaking and that organizational members often struggle with cultural differences and identity adjustments. Being (re)integrated into the parent organization seems to be a fairly new concept that has not yet been extensively covered. We, therefore, hope that organizations in similar situations might benefit from our findings and can adjust their approach based on the experiences made by the organization and its members in our case. To facilitate the employees' sensemaking processes, we propose a more extensive use of change management initiatives such as additional internal events and workshops to foster mutual understanding, more change communication and occasions for employees to discuss the situation and opportunities. Furthermore, such initiatives might help to avoid a decrease in commitment and motivation and lessen the degree to which employees feel disconnected from the organizational identity. However, we advise the organizations to have confidence in the sensemaking abilities of their organizational members. As our case shows, employees are very capable to navigate the implications on culture and identity of moving back in with the parents.

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Appendix A – Overview Interviewees

Employee	Team Lead	Manager
Amy	Alex	Edward
Ben	Brenda	Hana
Diana	Donna	Harvey
Don	Jacob	Jimmy
Fabio	Joe	Maria
Ian	Romeo	
John	Travis	
Kim		
Mattie		
Madeline		
Rachel		
Ravi		
Sheldon		

Appendix B – Interview Guide

Below we present our interview guide. It needs to be considered that questions were adjusted, and further questions were asked depending on the conversation.

Personal questions

1. How long have you worked here?
2. What is your position and how would you describe your main responsibilities?

About the organization

- 1) Tell us about MRO-Digital.

Change:

- 1) How has the company changed since you work here?
- 2) How did you experience the change from Easy-Tools to MRO-Digital / MRO-Industries to MRO-Digital?
- 3) Describe a work situation/situation during the change process that challenged you
- 4) In what way was your work role affected by this change? / How have you been affected by this change?

Culture

1. How would you describe MRO-Digital's organizational values?
2. How would you describe the culture of Easy-Tools, MRO-Digital / MRO-Industries?
3. Could you describe which of the two cultures fits your way of working better and why?
4. How is the relationship between the different teams at MRO-Digital?
5. Do you think each department experiences the culture similarly?
6. Do you think there are different groups within MRO-Digital and what influence does this have?
7. Do you think management is doing enough to reinforce the culture?
8. What challenges do you think MRO-Digital is facing?

Additional questions for managers:

1. How are employees encouraged to act in line with the company values? How are managers trained to enforce the values?
2. What is MRO-Digital doing to foster/nurture the culture?
3. What do you focus on when recruiting new employees?